

# Idaho Economic Forecast

C.L. "Butch" Otter, Governor

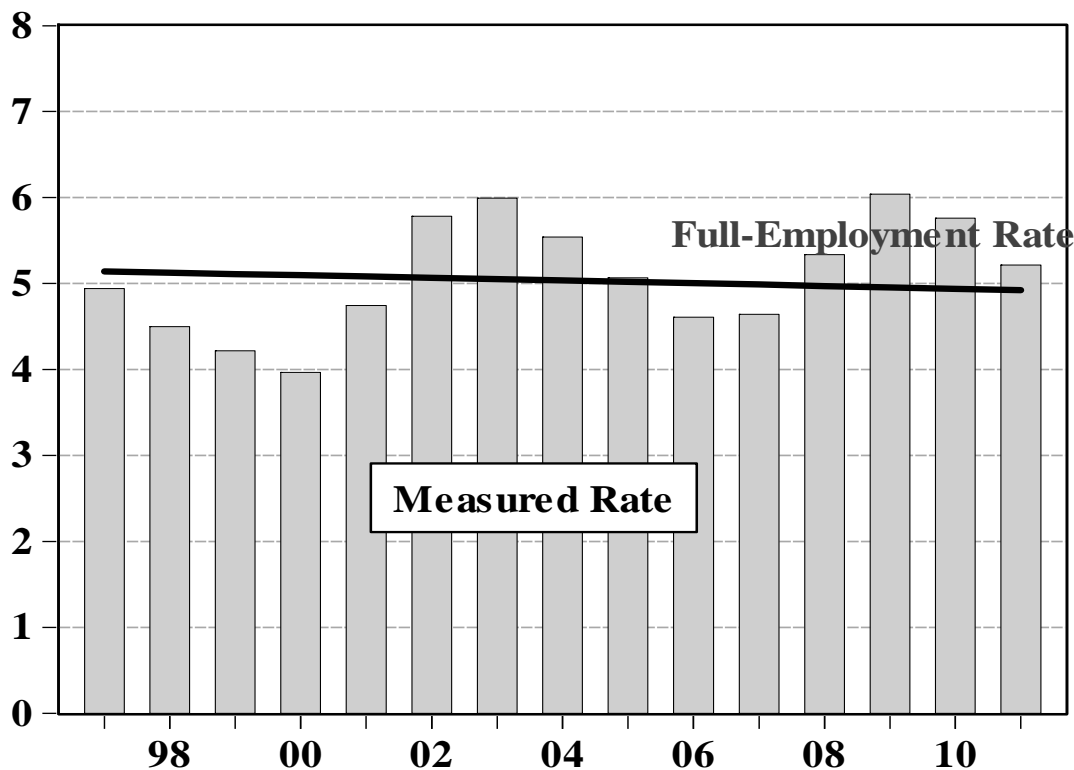
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- Forecast 2008-2011
- Consumer Sentiment and Consumer Spending
- Alternative Forecasts

## U.S. Civilian Unemployment Rate



Source: Global Insight

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**IDAHO  
ECONOMIC  
FORECAST  
2008 - 2011**

State of Idaho  
C.L. “BUTCH” OTTER  
Governor

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## PREFACE

Idaho's economy continues to grow and evolve as it enters the 21<sup>st</sup> Century. The 1980s was a decade of stop-and-start economic performance. However, it also ushered in one of the longest expansions in the state's history. Since 1987, nonfarm employment has expanded every year and has consistently placed Idaho among the top ten fastest growing states in the nation. The 1990s saw a flood of new residents move into the state, causing the population to expand by an astounding 29% from 1990 to 2000. Over this period Idaho personal income nearly doubled. Much of the current expansion results from ongoing structural changes in Idaho's economy.

One of the biggest changes is the rise of the state's high-technology sector. Virtually nonexistent in the 1970s, this sector achieved critical mass in the 1990s to become the state's largest manufacturing employer. The growth of industry giants, such as Micron Technology and Hewlett-Packard, as well as the emergence and expansion of smaller companies, pushed payrolls above even the most optimistic forecasts made in the 1980s. The state's trade sector has also been going through a transformation. The last decade witnessed an influx of national "big box" merchandisers. During this same time, Idaho merchants successfully reached beyond the state's borders. Several regional shopping centers were established that serve locals, as well as attract shoppers from other states and Canada. Visitors fueled the surge in tourism that also benefited trade. Like its national counterpart, the service sector accounts for most of the nonfarm jobs in Idaho. Tourism has also been a boon to the service industry. While traditional factors, such as increasing discretionary income, continue to fuel the demand for services, other influences have emerged. For example, the use of temporary employees in manufacturing has bolstered business services employment. Idaho's outstanding work force has been a major factor in attracting call centers, back office operations, and credit card companies.

While many changes are taking place today, traditional resource industries still play a major role in Idaho's economy. Indeed, the state's mining, agriculture, and timber sectors all experienced lulls in the late 1990s. While displaying more resilience to downturns than in the past, these industries are not totally immune from business-cycle effects. The continuing dependence on natural resources will bring a host of challenges to Idaho.

Other factors that are external to the state's economy will also present challenges to decision makers. Public policy decisions made in Washington, D.C. affect resource industry and federal installations such as the Idaho National Laboratory and the Mountain Home Air Force Base. Finding balanced and acceptable solutions to endangered and threatened species issues and timber supply issues are of major economic significance.

In order to deal effectively with these challenges, public and private decisions need to be made with a thorough understanding of the structure of the state's economy. It is to this end that the *Idaho Economic Forecast* is directed.

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## INTRODUCTION

The national forecast presented in this publication is the July 2008 Global Insight baseline forecast of the U.S. economy. The previous *Idaho Economic Forecast* is based on the April 2008 Global Insight baseline national forecast.

The cover graph shows the U.S. civilian unemployment rate will creep up through next year to a level that is above what is considered a normal level of unemployment. The unemployment rate is expected to decline in the last two years of the forecast, but not enough to drop it below this threshold. The reason for the high unemployment is due partly to the forecast of slow job gains over the forecast period, especially in 2008 and 2009. During these two years, U.S. nonfarm employment growth virtually stalls, gaining less than 50,000 jobs. The pace of hiring does pick up beginning in 2010, but the average annual pace for that year and 2011 is just 1.6%.

## FEATURE

The feature article, “Consumer Sentiment and Consumer Spending,” was written by Dr. James A. Wilcox. It describes how the University of Michigan's Index of Consumer Sentiment (ICS) is constructed and reviews some past research on whether measures of consumer attitudes improve forecasts of consumer spending. He also reports on some new research, which found that using the answers to the individual component questions of the ICS, rather than the ICS itself, further improved forecasts of personal consumption expenditures and its components. Finally, it shows how much and when measures of consumer attitudes might have helped forecasts in recent years. Dr. Wilcox's report is particularly timely given the recent slide in consumer confidence. Dr. Wilcox is a Visiting Scholar at the Federal Reserve Bank of San Francisco and Professor at UC Berkeley's Haas School of Business.

## THE FORECAST

Alternative assumptions concerning future movements of key economic variables can lead to major variations in national and/or regional outlooks. Global Insight examines the effects of different economic scenarios, including the potential impacts of recessions, higher inflation, and future Federal Reserve Board decisions. Alternative Idaho economic forecasts were developed under different policy and growth scenarios at the national level. These forecasts are included in this report.

Historical and forecast data for Idaho and the U.S. are presented in the tables in the middle section of this report. Detail is provided for every year from 1994 to 2011 and for every quarter from 2005 through 2010. The solution of the Idaho Economic Model (IEM) for this forecast begins with the second quarter of 2008.

Descriptions of the Global Insight U.S. Macroeconomic Model and the IEM are provided in the Appendix. Equations of the IEM and variable definitions are listed in the last pages of this publication.

## CHANGES

The Idaho Department of Labor provides monthly historical employment data that are seasonally adjusted and converted to quarterly frequencies by the Idaho Division of Financial Management (DFM). These adjusted data include final employment numbers through the first quarter of 2008 and estimates for the second quarter of this year. These data show Idaho total nonfarm employment was 89 jobs lower in the fourth quarter of 2007 than had been reported in the April 2008 *Idaho Economic Forecast* and there were 3,161 fewer jobs in this year's first quarter than had been earlier forecast.



The tables in this forecast include the U.S. Bureau of Economic Analysis' (BEA) June 19, 2008 estimates of Idaho quarterly personal income through the first quarter of 2008. The next round of Idaho quarterly personal income estimates is scheduled to be published on September 18, 2008 and will run through the second quarter of 2008. These estimates will be incorporated into the October 2008 *Idaho Economic Forecast*.

Readers with any questions should contact Derek Santos at (208) 854-3070 or at [dsantos@dfm.idaho.gov](mailto:dsantos@dfm.idaho.gov).

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## EXECUTIVE SUMMARY

The outlook for Idaho's economy has been scaled back to reflect more current Idaho historical data and the revised national forecast. A review of new employment data shows the state's economy grew slower during the first part of this year than had been anticipated in April 2008. It was previously projected that nonfarm employment would drop at a 0.3% annual pace in this year's first quarter and grow at a 0.9% clip in the second quarter. Newer job data show employment performed worse than this meager forecast. Namely, nonfarm employment fell at a 2.2% rate in the first quarter and dropped by 0.4% in the second quarter of 2008. As a result of this change, the starting point for the Gem State's employment forecast has been lowered from the previous forecast's 659,800 jobs to 654,595 jobs in the current forecast. The current national economic forecast contains a recession. The combination of the lower starting point for the Idaho employment forecast and weaker near-term U.S. economic growth does not bode well for the local economy. Under these conditions Idaho nonfarm employment is expected to expand 1.3% annually over the forecast period, with the first two years being particularly weak. As a result of the slower growth, there are about 17,500 fewer jobs in 2011 in the current forecast than in the previous one. Idaho nominal personal income also falls victim to the weaker national economy. The gap between the current and previous forecast widens over time, so that by 2011 Idaho nominal personal income is \$645 million lower than in the previous forecast. Because inflation is higher in the current forecast, the difference between the current and previous measures of Idaho real personal income in 2011 is even more pronounced. In summary, the next couple of years will be the most challenging in decades for the state's economy.

Earlier this year, the consensus among most business cycle handicappers was the economy would slip into a recession in the first half of 2008. In its July 31, 2008 report, the U.S. Department of Commerce estimated real GDP actually grew at a 0.9% clip in this year's first quarter and 1.9% in its second quarter. The real GDP growth during the first half of this year does not mean a recession has been avoided. Instead, it has been postponed. This prognosis reflects that many of the threats to the economy earlier this year remain. Granted, their impacts are likely to be offset in the third quarter by a temporary spike in consumer spending fueled by the tax rebate checks. However, the challenges facing the economy will remain after the checks are spent. Real GDP is expected to retreat at a 1.7% annual rate in the fourth quarter of 2008 and decline 0.7% in the first quarter of 2009. On an annual basis, real GDP is forecast to advance just 1.6% this year and 0.9% next year—its slowest growth since 2001. Like the previous recession, the forecasted slowdown should be mild compared to other post-war slowdowns. The economy is expected to remain sluggish through the first half of 2009. Real GDP is expected to pick up speed with abating negative factors. Inflation moderates. Hiring picks up. Credit becomes more available. And housing recovers. As a result, real GDP is projected to advance 3.6% in 2010 and 3.4% in 2011.

**IDAHO ECONOMIC FORECAST**  
**EXECUTIVE SUMMARY**  
**JULY 2008**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>U.S. GDP (BILLIONS)</b>												
Current \$	9,817	10,128	10,470	10,961	11,686	12,434	13,195	13,841	14,360	14,798	15,699	16,559
% Ch	5.9%	3.2%	3.4%	4.7%	6.6%	6.4%	6.1%	4.9%	3.7%	3.1%	6.1%	5.5%
2000 Chain-Weighted	9,817	9,891	10,049	10,301	10,676	11,004	11,319	11,567	11,754	11,860	12,291	12,710
% Ch	3.7%	0.8%	1.6%	2.5%	3.6%	3.1%	2.9%	2.2%	1.6%	0.9%	3.6%	3.4%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	31,290	33,054	33,849	34,816	38,079	40,355	43,800	46,958	48,884	50,875	53,769	57,161
% Ch	7.6%	5.6%	2.4%	2.9%	9.4%	6.0%	8.5%	7.2%	4.1%	4.1%	5.7%	6.3%
Idaho Nonfarm (Millions)	30,448	32,039	32,921	34,099	37,100	39,482	43,150	46,003	47,897	49,739	52,601	55,955
% Ch	8.5%	5.2%	2.8%	3.6%	8.8%	6.4%	9.3%	6.6%	4.1%	3.8%	5.8%	6.4%
U.S. (Billions)	8,430	8,724	8,882	9,164	9,727	10,301	10,983	11,666	12,215	12,624	13,298	14,075
% Ch	8.0%	3.5%	1.8%	3.2%	6.2%	5.9%	6.6%	6.2%	4.7%	3.4%	5.3%	5.8%
<b>PERSONAL INCOME - 2000 \$</b>												
Idaho (Millions)	31,289	32,376	32,690	32,970	35,127	36,160	38,192	39,930	39,918	40,274	42,116	44,143
% Ch	5.0%	3.5%	1.0%	0.9%	6.5%	2.9%	5.6%	4.6%	0.0%	0.9%	4.6%	4.8%
Idaho Nonfarm (Millions)	30,447	31,382	31,795	32,290	34,223	35,378	37,626	39,119	39,112	39,375	41,201	43,211
% Ch	5.9%	3.1%	1.3%	1.6%	6.0%	3.4%	6.4%	4.0%	0.0%	0.7%	4.6%	4.9%
U.S. (Billions)	8,429	8,545	8,578	8,678	8,973	9,231	9,578	9,920	9,975	9,994	10,416	10,870
% Ch	5.4%	1.4%	0.4%	1.2%	3.4%	2.9%	3.8%	3.6%	0.5%	0.2%	4.2%	4.4%
<b>HOUSING STARTS</b>												
Idaho	11,500	12,207	13,229	16,389	18,659	23,351	19,425	14,239	10,715	12,840	12,822	14,295
% Ch	11.0%	6.1%	8.4%	23.9%	13.9%	25.1%	-16.8%	-26.7%	-24.7%	19.8%	-0.1%	11.5%
U.S. (Millions)	1,573	1,601	1,710	1,854	1,950	2,073	1,812	1,341	0,933	1,009	1,434	1,692
% Ch	-4.5%	1.8%	6.8%	8.4%	5.2%	6.3%	-12.6%	-26.0%	-30.4%	8.2%	42.2%	18.0%
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	558,583	568,035	568,048	572,552	588,074	611,736	638,920	656,297	655,149	659,866	672,351	690,885
% Ch	3.8%	1.7%	0.0%	0.8%	2.7%	4.0%	4.4%	2.7%	-0.2%	0.7%	1.9%	2.8%
U.S. (Thousands)	131,794	131,830	130,340	129,996	131,419	133,695	136,092	137,618	137,726	137,662	139,538	142,067
% Ch	2.2%	0.0%	-1.1%	-0.3%	1.1%	1.7%	1.8%	1.1%	0.1%	0.0%	1.4%	1.8%
<b>SELECTED INTEREST RATES</b>												
Federal Funds	6.2%	3.9%	1.7%	1.1%	1.3%	3.2%	5.0%	5.0%	2.3%	2.4%	4.3%	4.8%
Bank Prime	9.2%	6.9%	4.7%	4.1%	4.3%	6.2%	8.0%	8.1%	5.3%	5.4%	7.3%	7.8%
Existing Home Mortgage	8.0%	7.0%	6.5%	5.7%	5.7%	5.9%	6.6%	6.5%	6.1%	5.9%	6.9%	7.2%
<b>INFLATION</b>												
GDP Price Deflator	2.2%	2.4%	1.7%	2.1%	2.9%	3.2%	3.2%	2.7%	2.1%	2.1%	2.4%	2.0%
Personal Cons Deflator	2.5%	2.1%	1.4%	2.0%	2.6%	2.9%	2.8%	2.5%	4.2%	3.1%	1.1%	1.4%
Consumer Price Index	3.4%	2.8%	1.6%	2.3%	2.7%	3.4%	3.2%	2.9%	5.3%	3.3%	0.5%	1.3%

**National Variables Forecast by GLOBAL INSIGHT**  
**Forecast Begins the SECOND Quarter of 2008**

**IDAHO ECONOMIC FORECAST**  
**EXECUTIVE SUMMARY**  
**JULY 2008**

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>U.S. GDP (BILLIONS)</b>												
Current \$	14,201	14,295	14,449	14,493	14,552	14,666	14,872	15,102	15,347	15,593	15,827	16,031
% Ch	3.7%	2.7%	4.4%	1.2%	1.6%	3.2%	5.8%	6.3%	6.6%	6.6%	6.2%	5.2%
2000 Chain-Weighted	11,704	11,757	11,804	11,753	11,732	11,806	11,898	12,005	12,118	12,238	12,354	12,454
% Ch	1.0%	1.8%	1.6%	-1.7%	-0.7%	2.5%	3.2%	3.6%	3.8%	4.0%	3.8%	3.3%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	47,906	49,041	49,205	49,385	50,017	50,593	51,111	51,781	52,517	53,352	54,186	55,021
% Ch	-1.5%	9.8%	1.3%	1.5%	5.2%	4.7%	4.2%	5.3%	5.8%	6.5%	6.4%	6.3%
Idaho Nonfarm (Millions)	47,152	47,928	48,101	48,407	48,936	49,429	49,978	50,613	51,387	52,190	53,006	53,819
% Ch	1.7%	6.7%	1.5%	2.6%	4.4%	4.1%	4.5%	5.2%	6.3%	6.4%	6.4%	6.3%
U.S. (Billions)	12,012	12,233	12,278	12,337	12,447	12,547	12,673	12,830	13,017	13,201	13,392	13,582
% Ch	4.5%	7.6%	1.5%	1.9%	3.6%	3.3%	4.1%	5.0%	5.9%	5.8%	5.9%	5.8%
<b>PERSONAL INCOME - 2000 \$</b>												
Idaho (Millions)	39,895	40,442	39,867	39,467	39,711	40,161	40,403	40,823	41,294	41,866	42,401	42,904
% Ch	-4.9%	5.6%	-5.6%	-3.9%	2.5%	4.6%	2.4%	4.2%	4.7%	5.7%	5.2%	4.8%
Idaho Nonfarm (Millions)	39,267	39,523	38,972	38,686	38,852	39,237	39,507	39,902	40,406	40,955	41,478	41,967
% Ch	-1.9%	2.6%	-5.5%	-2.9%	1.7%	4.0%	2.8%	4.1%	5.1%	5.5%	5.2%	4.8%
U.S. (Billions)	10,003	10,088	9,947	9,859	9,882	9,960	10,018	10,115	10,235	10,359	10,480	10,591
% Ch	0.8%	3.4%	-5.5%	-3.5%	0.9%	3.2%	2.4%	3.9%	4.8%	4.9%	4.7%	4.3%
<b>HOUSING STARTS</b>												
Idaho	8,987	11,240	10,885	11,748	12,682	12,858	13,023	12,798	12,771	12,687	12,676	13,153
% Ch	-58.3%	144.7%	-12.1%	35.7%	35.8%	5.7%	5.2%	-6.7%	-0.8%	-2.6%	-0.3%	15.9%
U.S. (Millions)	1.053	0.975	0.885	0.818	0.822	0.960	1.071	1.182	1.274	1.387	1.490	1.587
% Ch	-30.0%	-26.6%	-32.1%	-26.9%	2.0%	85.7%	55.3%	47.9%	35.0%	40.5%	33.2%	28.9%
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	655,226	654,595	655,169	655,605	656,824	658,775	660,832	663,032	666,486	670,182	674,149	678,589
% Ch	-2.2%	-0.4%	0.4%	0.3%	0.7%	1.2%	1.3%	1.3%	2.1%	2.2%	2.4%	2.7%
U.S. (Thousands)	137,917	137,759	137,705	137,523	137,366	137,469	137,702	138,112	138,631	139,241	139,839	140,441
% Ch	-0.3%	-0.5%	-0.2%	-0.5%	-0.5%	0.3%	0.7%	1.2%	1.5%	1.8%	1.7%	1.7%
<b>SELECTED INTEREST RATES</b>												
Federal Funds	3.2%	2.1%	2.0%	2.0%	2.0%	2.0%	2.5%	3.2%	3.7%	4.2%	4.7%	4.8%
Bank Prime	6.2%	5.1%	5.0%	5.0%	5.0%	5.0%	5.5%	6.2%	6.7%	7.2%	7.7%	7.8%
Existing Home Mortgage	6.0%	6.2%	6.2%	5.9%	5.8%	5.7%	5.9%	6.3%	6.6%	6.9%	7.1%	7.2%
<b>INFLATION</b>												
GDP Price Deflator	2.7%	0.7%	2.7%	3.0%	2.4%	0.6%	2.5%	2.6%	2.7%	2.5%	2.2%	1.9%
Personal Cons Deflator	3.6%	4.0%	7.3%	5.6%	2.7%	0.1%	1.7%	1.1%	1.1%	0.8%	1.1%	1.4%
Consumer Price Index	4.3%	4.8%	10.2%	7.4%	2.5%	-1.6%	1.2%	0.4%	0.5%	0.3%	0.8%	1.3%

National Variables Forecast by GLOBAL INSIGHT  
Forecast Begins the SECOND Quarter of 2008

## NATIONAL FORECAST DESCRIPTION

### **The Forecast Period is the Second Quarter of 2008 through the Fourth Quarter of 2011**

The good news is most economists were wrong. Earlier this year, the consensus among most business cycle handicappers was the economy would slip into a recession in the first half of 2008. In our April 2008 *Idaho Economic Forecast* we reported real GDP would shrink at a 0.1% annual rate in the first quarter of this year followed by a 0.7% decline in the second quarter, which fits the rule-of-thumb definition of a recession. This forecast was made by Global Insight, Inc. based on a thorough evaluation of factors that would shape the economy's course. Given the threats of inflation, job losses, tight credit, the housing crises, the forecast of a U.S. recession seemed at the time to be almost a sure thing. Of course, there is no such thing as a sure thing (or free lunch). In its July 31, 2008 report, the U.S. Department of Commerce estimated real GDP actually grew at a 0.9% clip in this year's first quarter and 1.9% in its second quarter.

The bad news is positive real GDP growth during the first half of this year does not mean a recession has been avoided. Instead, it has been postponed. This prognosis reflects that many of the threats to the economy earlier this year remain. Granted, their impacts are likely to be offset in the third quarter by a temporary spike in consumer spending fueled by the tax rebate checks. However, the challenges facing the economy will remain after the checks are spent. As a result, the expected recession that failed to materialize earlier this year will appear at year's end. Real GDP is expected to retreat at a 1.7% annual rate in the fourth quarter of 2008 and decline 0.7% in the first quarter of 2009. On an annual basis, real GDP is forecast to advance just 1.6% this year and 0.9% next year—its slowest growth since 2001. Like the previous recession, the forecasted slowdown should be mild compared to other post-war slowdowns.

In fact things could be worse. A deeper economic downturn is explored in the Alternative Forecasts section of this publication. A summary of those findings is included here. It assumes the housing recession deepens even more than in the baseline and the price of oil shoots above \$160 per barrel this summer. Despite the effects of the stimulus package, real GDP tumbles. After the impact of the stimulative monetary and fiscal policies wear off, the economy contracts over two additional quarters. Peak to trough, real GDP shrinks 1.7% during these three quarters (2008:3 to 2009:1). Like the recessions of 1991 and 2001, this one is still mild compared with earlier postwar recessions. Unlike the past two recessions, however, the economy remains on the ropes longer and emerges from the downturn weaker, facing more troubles ahead. The good news is it is believed there is just a 20% chance of this happening.

Equally likely is things could go slightly better than expected. This could happen if stronger productivity gains, coupled with renewed optimism, facilitate enhanced business spending and a milder housing contraction. The stimulus package already in the pipeline adds fuel to the fire during the latter half of 2008. Combined with a stronger currency, the productivity gains also help to contain inflation. Foreign economic growth is also stronger, which helps boost U.S. exports and domestic manufacturing. As a result, real exports rise faster despite the stronger greenback. Finally, this scenario assumes energy prices are lower than in the baseline. Most notably, under these conditions, the economy avoids a recession.

Getting back to the original forecast, the economy is expected to remain sluggish through the first half of 2009. Real GDP is expected to pick up speed with abating negative factors. Inflation moderates. Hiring picks up. Credit becomes more available. And housing recovers. As a result, real GDP is projected to advance 3.6% in 2010 and 3.4% in 2011.

## SELECTED NATIONAL ECONOMIC INDICATORS

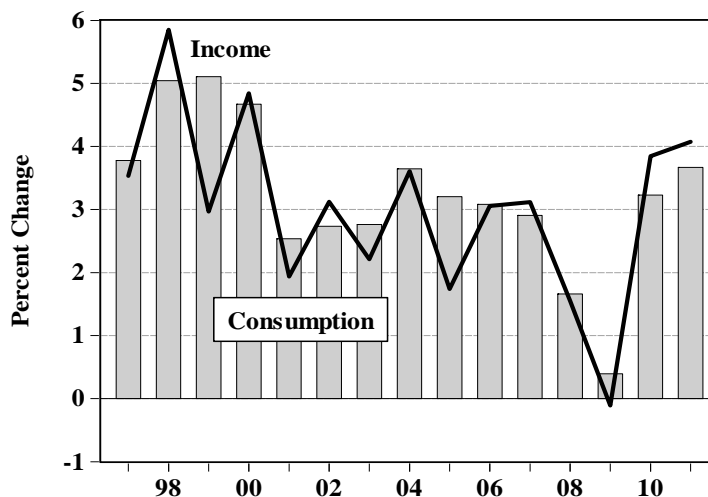
**Consumer Spending:** The salvo of negative economic news in recent months caused consumer confidence to sink earlier this year to its lowest level since 1992.

However, consumers' actual spending habits have been impacted less than their psyches. That is, real spending still managed to plod along at a 1.1% annual pace in this year's first quarter despite consumers' souring moods thanks to spending on services that expanded at a 3.1% clip. Other spending categories did not fare as well. The biggest hit was in durable goods, which retreated at a 6.0% pace. This decrease reflected huge declines in motor vehicle-related spending. Hardest hit was new light truck sales, which declined nearly 30% in the first quarter.

Unfortunately, truck sales are expected to significantly deteriorate throughout the year. Spending on nondurable goods

performed better; it was flat in the first quarter. However, some of its components were blasted by high energy prices. For example, real spending on gasoline and oil declined 5.1%. Fuel oil and coal spending retreated even further, dropping 20.1% in this year's first quarter. Total consumer spending is expected to grow faster beginning in the second quarter of this year, as consumers return to malls and big box stores with their federal tax rebate checks in hand. However, this will be a short shopping trip. Once the tax rebates are spent, real consumer spending is expected to recede. It should be pointed out that not all of this federal windfall will be spent like found money. Unfortunately, several factors suggest consumer confidence and spending will remain subdued over the near term. Most notably, home prices are expected to continue falling this year, taking real household net worth with it. Rising unemployment and rising inflation increase consumers' uneasiness about the future. Under these conditions, consumers are expected to hunker down and spend more in line with their means. As a result, consumer spending should advance just 2.2% annually over the forecast period, which is lower than the anticipated growth of real disposable income. One positive impact of slower consumer spending is it will allow households to improve their balance sheets. For example, after plunging 10.3% this year, real net worth should slowly recover from this drop by 2011.

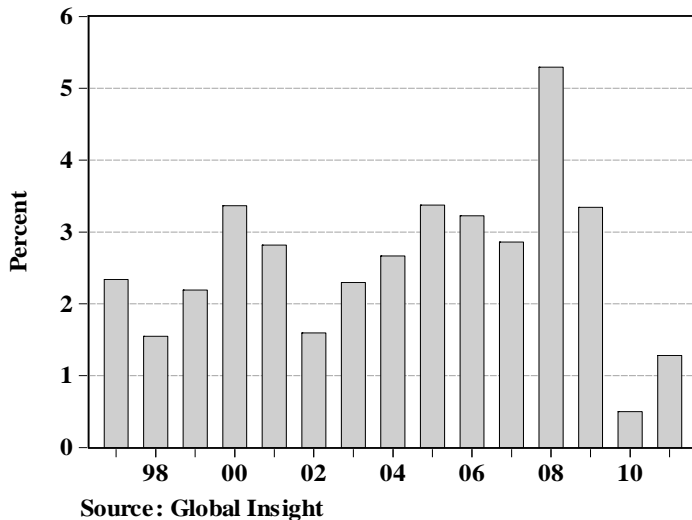
### U.S. Real Consumption and Disposable Income Growth



Source: Global Insight

**Inflation:** Fueled by soaring energy and food prices, headline inflation is expected to jump this year, but it will not approach the levels reached in the late 1970s and early 1980s. Similarities between then and now make it tempting to assume history will repeat itself. In the earlier inflation episode, rapidly rising oil prices caused the average retail gas price to more than double over three years, from 64 cents per gallon to a peak of \$1.37 per gallon. In comparison, the retail price of gasoline is expected to peak at \$4.57 per gallon later this year, which is 84.2% higher than it was three years ago. Food prices display a similar pattern. During the earlier period consumer food prices, as measured by the consumer price index (CPI), increase by about 30% over three years. However, this same measure advanced less than half as fast (14.0%) in the most recent three-year period. Thus, while both periods are marked with rising energy and food prices, they rose much more steeply in the late 1970s and early 1980s. These differences help explain why overall inflation has been lower recently. However, they do not explain all

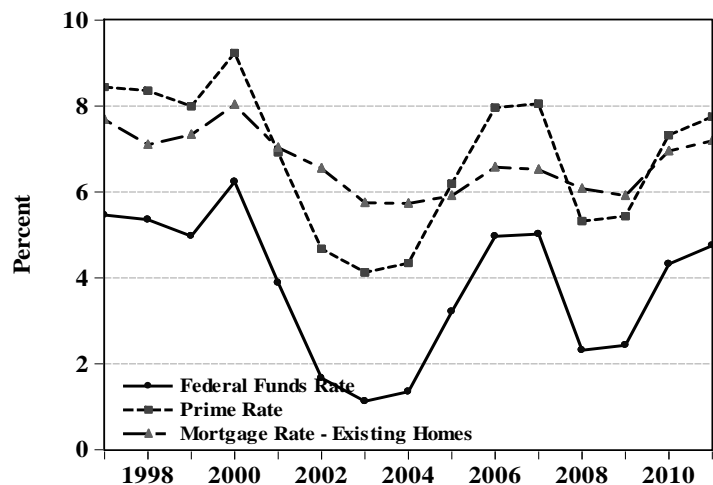
## Consumer Price Inflation



of the difference. During the late 1970s and early 1980s, employment expenses, as measured by unit labor costs, were advancing about 10% annually. More recently, they have been rising about 3% per year. This helps explain why total inflation is not roaring out of control and why it should not explode down the road. The reason for this is the U.S. labor market is expected to be relatively slack over the forecast period, so unit labor costs should be restrained. As a result, the core CPI rate—all items less energy and food—should average just 2.2% over the next few years. Overall consumer inflation is 5.3% this year, 3.3% next year, 0.5% in 2010, and 1.3% in 2011.

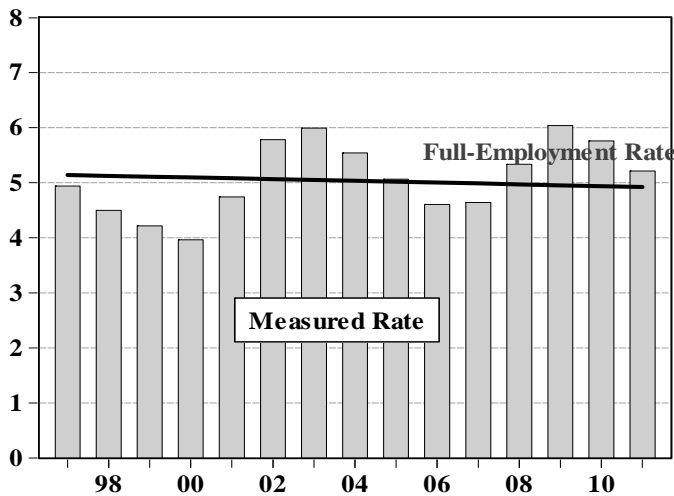
**Financial Markets:** As expected, the Federal Reserve's Federal Open Market Committee (FOMC) voted earlier this summer to keep its bellwether federal funds rate at 2.0% in light of rising inflation pressures. In its June 25, 2008 statement, the FOMC said, "The substantial easing of monetary policy to date, combined with ongoing measures to foster market liquidity, should help to promote moderate growth over time. Although downside risks to growth remain, they appear to have diminished somewhat, and the upside risks to inflation and inflation expectations have increased." The FOMC may have refocused its energies toward containing inflation, but it has not lost sight of promoting economic growth. The FOMC's June statement goes on to say, "The Committee will continue to monitor economic and financial developments and will act as needed to promote sustainable economic growth and price stability." Achieving this goal has grown more challenging recently, as the combination of rising inflation and slow economic growth have raised fears of stagflation. No one is anxious for this to occur because it took double-digit interest rates and a recession to remedy the country's last bout of stagflation. Fortunately, the economy's current condition is not at the point that requires such a drastic monetary policy. Instead, it appears the nation's central bank has entered a period of watchful waiting to see whether its previously enacted interest rate cuts have their desired effects. Once the FOMC is convinced the economy is back on solid ground, it will begin to inch up the federal funds rate to starve future inflationary pressures. The current forecast assumes the next federal funds interest rate increase takes place in the second quarter of next year and peaks at 4.75% in the last quarter of 2010 and remains there for the remaining quarters of the forecast. The outlook for the federal funds rate and other key interest rates are illustrated in the accompanying chart.

## Selected U.S. Interest Rates





## U.S. Civilian Unemployment Rate



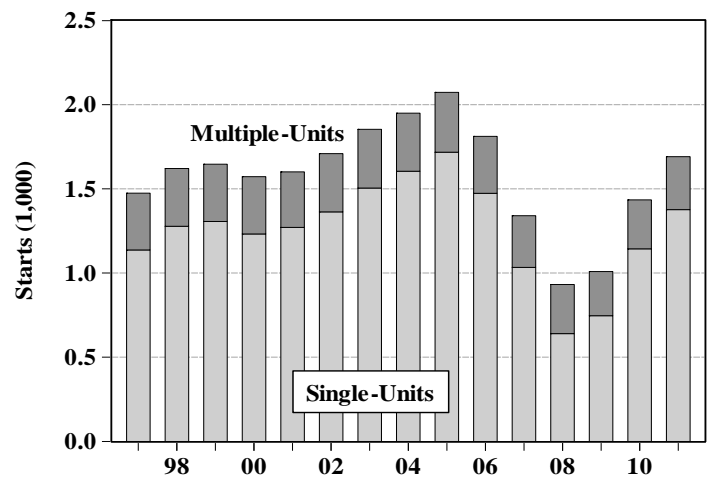
Source: Global Insight

**Employment:** The current labor market slump is just over a half year old. National nonfarm employment, which had been one of the bright spots in the economy, has declined in every month this year. The latest drop took place in July, when payrolls shrank by another 51,000 jobs. This latest decrease brings the year-to-date job loss to 463,000 jobs. As a result of this string of declines, there were 67,000 fewer jobs in July 2008 than last July. This paucity of employment growth and increase in the labor force has caused U.S. civilian unemployment to climb to 5.7%, which is a full percentage point higher than last year. Construction lost 22,000 jobs this July. It has shed 557,000 jobs since its September 2006 employment peak. Manufacturing lost

another 35,000 jobs, bringing its year-over-year decrease to 383,000 jobs. Layoffs in its temporary help services component caused professional and business services to shrink by 34,000 in July. Not all sectors suffered losses, however. Government payrolls expanded by 25,000 jobs in July, with all the growth coming from state and local governments. Federal government employment actually decreased slightly from June to July. Education/healthcare added 33,000 jobs in July, bringing its year-over-year increase to 368,000 jobs. As was mentioned above, the number of nonfarm jobs in July 2008 was slightly below the previous July's levels. This characteristic is expected to persist through late 2009. On an annual basis, U.S. nonfarm employment is forecast to stall this year and next, before growing 1.4% in 2010 and 1.8% in 2011. The simple arithmetic of stagnant job growth and increasing labor force points to increasing unemployment down the road. Specifically, the nation's unemployment rate is expected to peak at 6.1% in the second quarter of 2009 and hover near that level for almost a year. As the accompanying chart shows, this is above the rate consistent with full-employment.

**Housing:** The ailing U.S. housing market has not yet hit its bottom, but it may be getting closer. One promising statistic is existing home sales have remained near five million units for the last seven months. This is occurring because foreclosures are playing a greater role in the housing market than they ever have before. Banks are pricing homes to sell, which is driving prices down. The 10-City Case-Shiller Composite Index dropped 16.3% year-over-year in April, a record decline. But it was not the only measure showing how drastically prices have fallen. The 20-City Composite Index was down 15.3%, which was also a record. It remains to be seen, however, whether

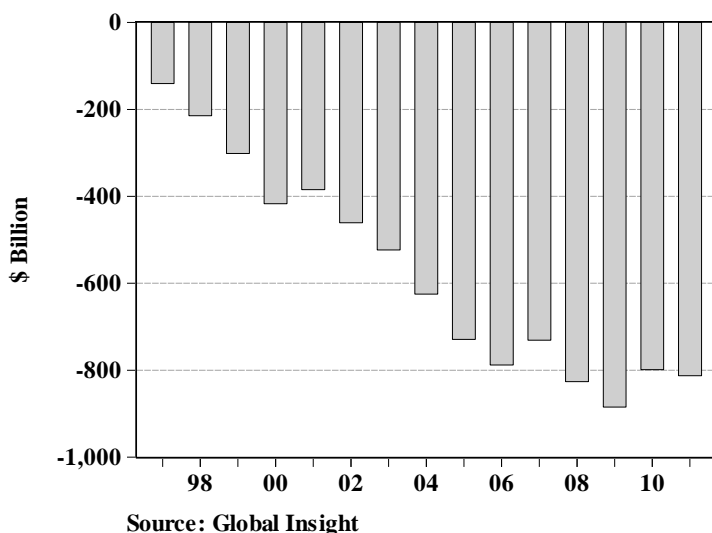
## U.S. Housing Starts



Source: Global Insight

existing home sales can work off the huge inventory overhang. Unfortunately, the new housing sector remains weak. New home sales have not done as well as existing home sales. In addition, single-family housing starts and permits are still falling. However, there is some reason for hope. The rate of decline in single-family starts and permits has slowed. In fact, the May 2008 construction report showed construction spending on single-family homes posted its second smallest drop in ten months. Going forward, the declines are expected to shrink, and housing should become a progressively smaller drag on real GDP growth. It is anticipated that the housing sector will cease to be a drag on the economy beginning in the second quarter of next year, which is two quarters after housing starts bottom out at 818,000 units. On an annual basis, U.S. housing starts are forecast to be 933,000 units in 2008, 1.01 million units in 2009, 1.43 million units in 2010, and 1.69 million units in 2011.

### U.S. Current Trade Deficit



**International:** The trade imbalance is expected to tip favorably toward the U.S. during the next couple of years. The improving nominal trade situation is hard to detect because rising oil prices inflate the import bill. At its worst in the end of this year, the nominal deficit will be only slightly better than at its peak between late 2005 and mid 2006. In the current forecast, the nominal deficit improves only after oil prices retreat. Specifically, nominal net exports go from \$708 billion in 2007 to \$831 billion in 2008, to \$837 billion in 2009, \$693 billion in 2010 and to \$680 billion in 2011. In order to get a more accurate picture of the situation the nominal trade results must be adjusted for inflation.

Making this important change shows the

trade situation improves more quickly than the nominal values lead us to believe. Instead of rising through 2009, real exports actually improve \$123 billion this year and another \$111 billion in 2009. However, real exports begin to lose ground after that year because revitalized consumer spending and stepped-up materials demand increase imports. Specifically, real imports accelerate from virtually no growth in 2008 and 2009 to over 6.0% growth in 2010 and 2011. The gap widens further in the out years because of slower export growth. On a current-account basis, the trade deficit is -\$827 billion this year, -\$885 billion next year, -\$799 billion in 2010, and -\$813 billion in 2011.

**Business Investment:** The next few quarters will be a struggle for real business investment. Real spending on equipment and software is forecast to decline in the second quarter of 2008 and grow slowly in its third quarter. An investment rebound is expected in the fourth quarter, as companies take advantage of the accelerated depreciation allowances that are part of this year's fiscal stimulus package. However, this rise will be followed by a spending drop that is payback for the binge in the fourth quarter of 2008. On an annual basis, real spending on equipment and software is expected to expand 1.7% this year and 0.6% next year. Its pace picks up noticeably beginning in 2010, and averages nearly 7.0% per year through 2011. Real transportation spending is forecast to drop nearly 10% this year and remain flat next year. Spending on industrial equipment faces an uphill challenge as manufacturers wind down their recent spending projects. As a result, inflation-adjusted spending on industrial equipment slides 4.9% in 2008 and 6.1% in 2009.

**Government:** Fiscal policy is expected to provide the economy with a quick-but-temporary boost. Last winter Congress passed and the President signed into law a stimulus package that is worth \$152 billion in fiscal 2008 (or 1.1% of GDP), of which \$107 billion is for households (via tax rebates) and \$45 billion is for businesses (almost all via 50% bonus depreciation). It is assumed that about three-quarters of the rebates arrived in the second quarter and the rest will be delivered in the following quarter. It is also assumed that 20% of the rebates are spent within three months, 40% within six months, and 50% within a year. Under these assumptions the biggest impact on spending comes in this year's third quarter. This forecast also assumes Congress will not allow all of the Bush administration's personal tax reductions to expire at the end of the decade. But tax burdens are expected to increase, nonetheless, either through the impact of the Alternative Minimum Tax or through some other type of tax reform that raises revenues. On the expenditure side, spending for the wars in Iraq and Afghanistan is expected to climb. Defense spending is expected to rise 9.8% in the current federal fiscal year and 5.9% in the following year. Overall federal outlays are forecast to increase 9.3% in 2008 and 5.7% in 2009. However, slower defense spending in 2010 and 2011 helps tame future overall spending. On a unified budget basis, the federal deficit is predicted to rise from -\$162 billion in 2007 to -\$412 billion in 2008, and to -\$497 billion in 2009. After that year it drops to -\$444 billion in 2010 and to -\$383 billion in 2011.

## **IDAHO FORECAST DESCRIPTION**

### **The Forecast Period is the Second Quarter of 2008 through the Fourth Quarter of 2011**

The outlook for Idaho's economy has been scaled back to reflect more current Idaho historical data and the revised national forecast. A review of new employment data shows the state's economy grew slower during the first part of this year than had been anticipated in April 2008. It was previously projected that nonfarm employment would drop at a 0.3% annual pace in this year's first quarter and grow at a 0.9% clip in the second quarter. Newer job data show employment performed worse than this meager forecast. Namely, nonfarm employment fell at a 2.2% rate in the first quarter and dropped by 0.4% in the second quarter of 2008. As a result of this change, the starting point for the Gem State's employment forecast has been lowered from the previous forecast's 659,800 jobs to 654,595 jobs in the current forecast.

A major feature of the U.S. economic projection used in the preceding forecast was a recession in the first half of this year. This mild slowdown was expected to start in the first quarter of 2008 and end in its second quarter. From its peak to trough, real output was projected to decline just 0.2%. The current forecast also contains a recession. However, instead of starting at the beginning of this year, it occurs at the end of 2008. Specifically, this two-quarter downturn starts in this year's fourth quarter and causes real GDP to shrink 0.6%.

The combination of the lower starting point for the Idaho employment forecast and weaker near-term U.S. economic growth does not bode well for the local economy. Under these conditions Idaho nonfarm employment is expected to expand 1.3% annually over the forecast period, with the first two years being particularly weak. In comparison, nonfarm employment was forecast to increase 1.9% per year in the previous forecast. As a result of the slower growth, there are about 17,500 fewer jobs in 2011 in the current forecast than in the previous one. The goods-producing sector is hit twice as hard as total employment. Due to the much lower construction employment forecast, goods-producing employment is down 5.2% from the previous forecast in 2011. Total Idaho nonfarm employment is down 2.5% in that same year and nongoods-producing employment is off 2.3%.

Idaho nominal personal income also falls victim to the weaker economy. It grows slower than had been previously forecasted in each year of the forecast. As a result, the gap between the current and previous forecast widens over time, so that by 2011 Idaho nominal personal income is \$645 million lower than in the previous forecast. Because inflation is higher in the current forecast, the difference between the current and previous measures of Idaho real personal income in 2011 is even more pronounced.

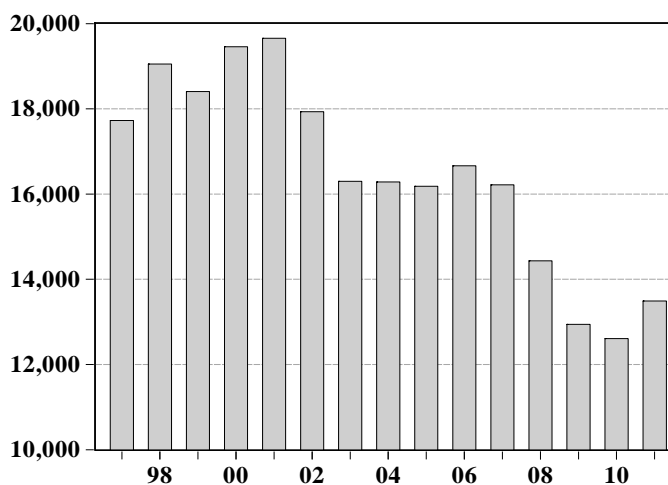
In summary, the next couple of years will be the most challenging in decades for the state's economy. Both Idaho nonfarm employment and nominal personal income are forecast to advance less than one percent over this period. Both should recover beginning in 2010. Over the last two years of the forecast nonfarm employment should expand a total of 4.7%. Idaho real personal income is expected to increase 9.6% over this same period.

## SELECTED IDAHO ECONOMIC INDICATORS

**Computer and Electronics:** Gem State computer and electronics employment is forecast to continue shrinking over the next three years as the state's companies weather the current dip in the global high-tech business cycle. This downturn is due in large part to weak prices caused by the glut of computer memory products. Hardest hit has been Micron Technology. This company is the state's largest private employer and one of the world's largest manufacturers of memory products. In 2007, the company reduced its payroll by 1,100 workers in Idaho in an effort to reduce its production costs and improve profitability. Unfortunately, prices have continued falling since then, and the company's bottom line has not

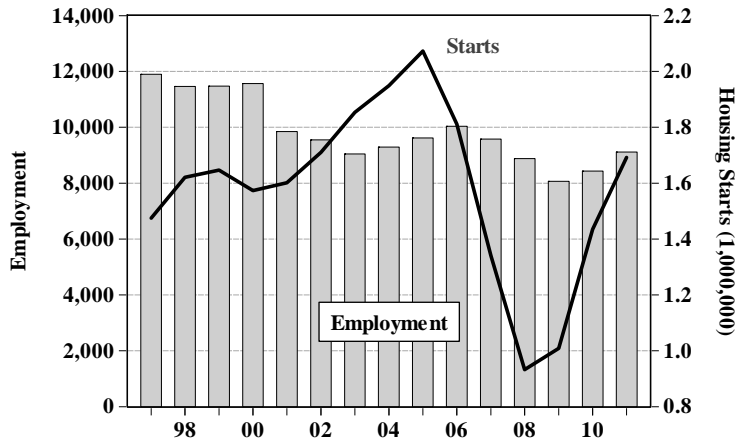
yet returned to black ink. For its most recent quarter of its 2008 fiscal year, which ended May 29, 2008, Micron lost \$236 million. In addition, its stock is trading at near record low prices. However, a close look at the company's financials shows things may not be as bad. First, sales of both its DRAM and NAND Flash products rose in the most recent quarter. Second, the company lowered its costs of goods sold per gigabit for both these products in the third quarter. Third, the company's gross margin was \$48 million—the largest of the fiscal year. The company also reported its sales and gross margin for its CMOS image sensors improved in the third quarter of its fiscal year. Unfortunately, several factors suggest several hurdles remain in this sector's road to recovery. The worldwide imbalance of supply and demand that has depressed prices is not expected to right itself quickly. In addition, this sector will be hamstrung by relatively lackluster U.S. business investment. This sector received another setback when ON Semiconductor announced it was reducing employment at its newly acquired AMI Semiconductor plant in Pocatello by about 200 jobs over the next 18 to 24 months. Growth in the state's high-tech sector will eventually return as new types of manufacturers join existing manufacturers. For example, Nordic Windpower, Limited, a wind turbine manufacturer, plans to hire 160 workers for its new Pocatello plant. In addition, Hoku Scientific is building a \$400 million plant in the same city that is nearly twice as large as had been originally planned to accommodate stronger-than-anticipated demand for the polysilicon it produces. According to the *Honolulu Star Bulletin*, the company has signed a contract worth up to \$298 million to supply polysilicon, a key material in making solar panels, to Jiangxi Kinko Energy Co. Ltd., a China-based manufacturer of silicon products. This deal has filled Hoku's expected 3,500 metric tons of annual capacity. On an annual basis, Idaho computer and electronics employment is forecast to drop 11.0% this year, 10.3% next year, 2.6% in 2010, and increase 7.0% in 2011.

**Idaho Computer and Electronic Products Employment**



**Logging and Wood Products:** Idaho's logging and wood sector's declining employment trend was interrupted mid-decade thanks to the red-hot housing market. Specifically, its employment went from a peak of about 12,000 jobs in 1996 to a trough of under 9,100 jobs in 2003. These declines were not the result of soft demand but of ongoing, unfavorable supply factors. Idaho's lumber and wood products sector faces the dwindling timber supply from public forests. According to U.S. Forest Service estimates, the harvest from Idaho national forests fell by 74% from 1996 to 2005. As a result, the

### Idaho Wood Product Employment and U.S. Housing Starts

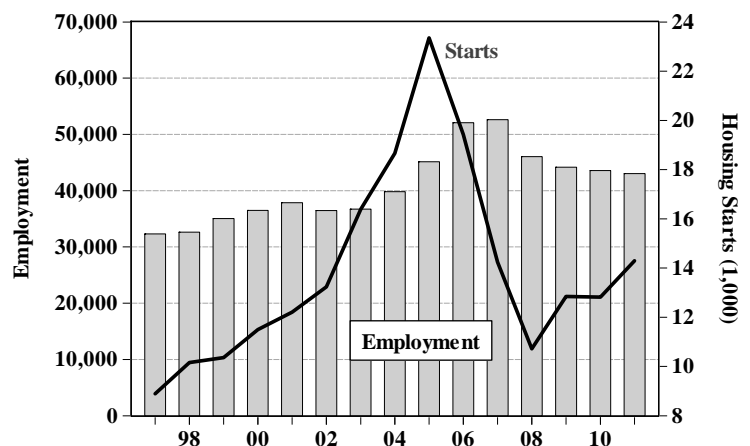


national forests' share of Idaho's timber harvest shrank from 23.9% in 1996 to 8.4% in 2005. This decline resulted in the closure of several older mills around the state. Ironically, these closures help increase the industry's efficiency, which put further downward pressure on employment. The industry does not need as many employees as it has in the past. For example, production was virtually the same in both years even though employment was 16.5% lower in 2006 than it was in 1996. Despite the industry's downsizing, excess capacity remains a challenge. It is estimated the industry can produce 20% to 25% more lumber than is being consumed in North

America. The pressure from these factors on this industry will increase as they fill the void left by the retreating demand fueled by the housing crises. Unfortunately, there is ample evidence this is taking place. Stimson Lumber closed its DeArmond Mill. It had originally planned to shutter the plant in 2009, but low lumber prices forced the company to close it sooner. Three Rivers Timber in Kamiah recently cut its staff by 35 persons. Despite this job contraction, the mills output is expected to remain steady at about 80 million to 90 million board feet per year. Idaho is not the only area suffering; the entire inland region has fallen on hard times. The June 2008 edition of *Random Lengths Yardstick* included a couple of statistics that illustrate this point. First, there are about half as many mills in the inland region as there were twenty years ago. Second, the inland region's share of North American (U.S. and Canada) production has dwindled from 18% to 8%. These facts do not bode well for this sector's health. As the housing sector retreats, so will Idaho lumber and wood products employment. Specifically, it is expected to decline 7.3% this year and 9.1% next year. Later in the forecast period, employment is forecast to post a modest rally, so that by 2011 there are 9,116 jobs in this sector.

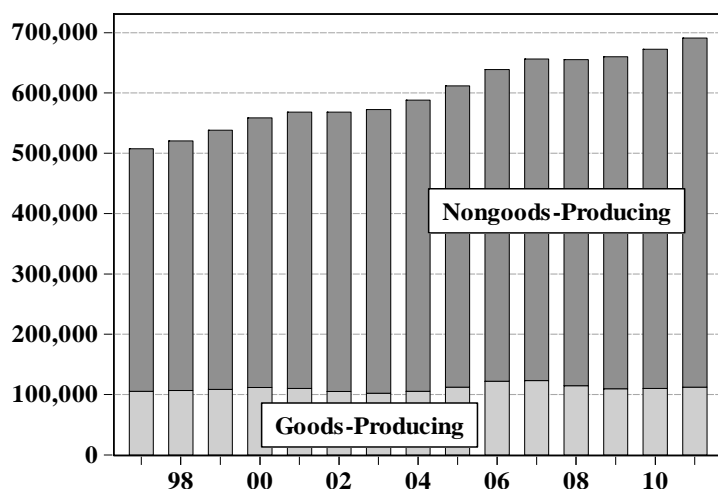
**Construction:** Idaho construction employment is expected to decline throughout the forecast period as the dust from the state's housing sector decline settles. The jobs will be sorely missed, as construction was one of Idaho's growth industries in recent years. Idaho construction employment enjoyed several quarters of double-digit growth that culminated with a peak of 53,552 jobs in the first quarter of 2007. What this figure does not capture is how long construction has contributed to the state's growth. Remarkably, Idaho construction employment has increased in 15 of the 16 years since 1991—the most consistent showing among the state's goods-producing sectors. During this period the construction payroll exploded from 20,350 to 52,634, which is a 6.1% average annual growth rate—about twice as fast as the state's total nonfarm job growth

### Idaho Construction Employment and Housing Starts



rate of 3.2%. This strong job expansion was fueled by the housing surge caused by the state's fast growing population. Idaho housing starts increased from about 6,600 units in 1991 to a high of about 23,400 units in 2005. Although housing starts declined by about 3,200 units the next year, construction employment continued to grow thanks to strong nonresidential building in 2006. The number of housing starts fell another 5,200 units in 2007, and this year employment also declined. Housing is expected to fall further this year to about 10,700 units and construction employment should retreat to about 46,100 jobs. This year marks the low watermark for housing starts. After 2008, housing starts should rise to about 12,800 units next year and remain there through 2010. Housing starts should recover further in 2011 to 14,300 units. Unfortunately, Idaho construction employment will take longer to recover. Specifically, this forecast shows there are 44,204 jobs in 2009, 43,569 jobs in 2010, and 43,028 in 2011.

### Idaho Nonfarm Employment



**Nongoods-Producing Industries:** The current forecasts for the state's services and trade sectors have been scaled down from their April 2008 counterparts. In the previous forecast Idaho services employment was projected to expand an average of 3.1% annually over the forecast period. It grows just 2.4% per year in the current forecast. As a result of this slower growth, total services employment in 2011 is down by 8,000 compared to the previous forecast. It should be noted that there were three significant changes in the first quarter of this year that deserve an explanation. First, the quarterly data show professional and business services employment

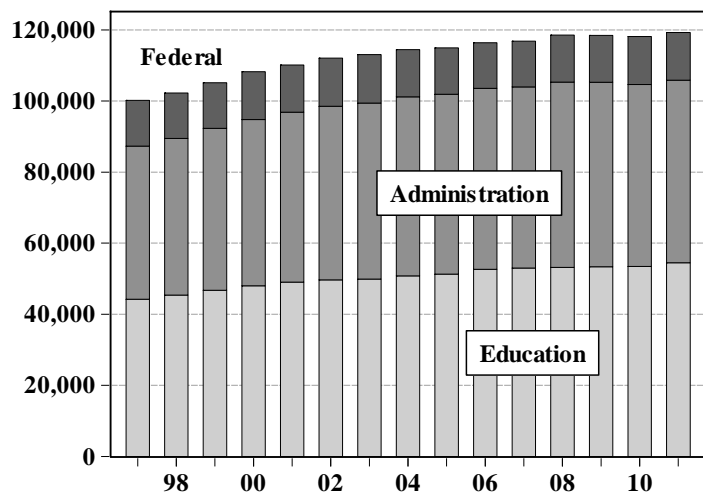
dropped at a 12.4% annual rate. This decline reflects reductions by employment agencies, companies providing building services, and call centers. Coincidentally, a large part of this drop was made up by hiring at private universities that helped education- and health-related employment to surge at a 9.1% annual clip in the first quarter. Last, other services employment sprinted at a nearly 25% pace due to a new employment survey that revealed there were more noncovered jobs in this sector than had been previously reported. This new data creates a series break that results in a one-time boost to the first quarter's growth rate. Leisure and hospitality employment was flat in the first half of this year, even though the state enjoyed the best winter conditions in several years. This decline may have resulted from reduced consumer spending because of worries over the economy's direction as well as high transportation costs. These two factors probably contributed to the retail sector's disappointing performance in the first half of this year. In April it was anticipated this sector's employment would grow about 2.5% per quarter. It was flat instead. Wholesale trade employment actually shrank in the first quarter. Even after posting a meager rally in the next quarter, it was still about 500 jobs lower than had been forecasted earlier. Total trade employment is forecast to rise 2.8% annually, which is down from the 3.3% expected pace in the April 2008 forecast.

**Government:** The anticipated slower population growth will cool Idaho public job growth over the next few years. The Gem State's population growth peaked at 2.7% in 2005 thanks to an influx of new residents. That year marked the first time since 1995 that net migration topped 20,000 persons. It remained above this threshold for the next two years, causing the state's population to rise 2.6% in 2006 and 2.5% in 2007. However, migration is expected to drop below 20,000 persons this year. Absent the

strong migration, Idaho's population advances about 1.8% annually. History suggests Idaho state and local employment prospects will be dampened by the slower population growth. The demands of the growing population put pressure on existing government resources, so government employment expands to meet this demand. If population growth slows, so does government employment. From 1991 to 2000, Idaho's population increased about 2.5% per year. Over this same period, Idaho state and local government expanded 3.0% annually. The state's population growth slowed to a 1.7% annual pace from 1999 to 2004.

State and local government employment growth followed suit, slowing to an average 1.9% annual pace. Given the slower population growth, Idaho state and local government employment is projected to increase about 0.5% annually over this period. However, growth rates vary widely between the education- and noneducation-related components. Idaho education employment is expected to advance about 0.7% per year from 2007 to 2011. During this same period, noneducation-related government employment should expand just over 0.2% annually. Federal government employment in Idaho has hovered near 13,000 jobs over the last few years, and it is projected to continue doing so over most of the forecast horizon. However, it should rise above 13,500 jobs in 2010, the result of local hiring for the 2010 census.

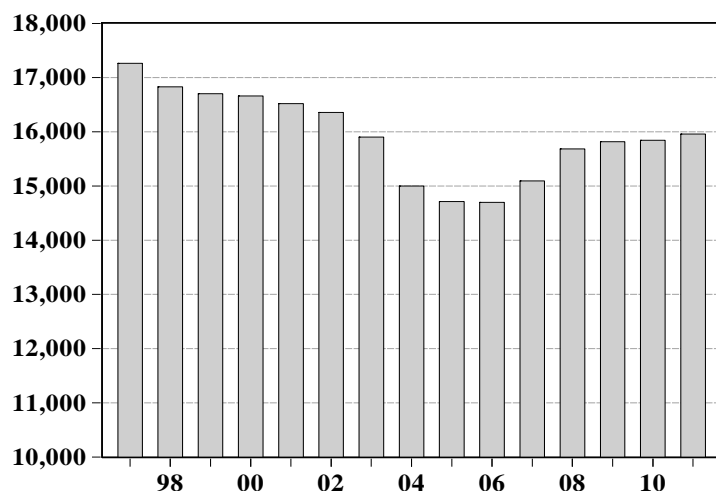
## Idaho Government Employment



**Mining:** Idaho's mining sector is expected to extend its current job-growth streak by expanding another 8.1% this year. This expansion is being fueled by high metal prices that have increased payrolls from just under 1,800 jobs in 2002 to a forecasted 2,885 jobs in 2008. Companies adding workers include such Silver Valley icons as Sunshine, Lucky Friday, and Galena mines. Kathryn Tacke, the Idaho Department of Labor's Regional Economist for North Idaho reported that prices of lead and zinc are so high that the Lucky Friday Mine could make a profit on sales of these two byproducts alone. However, the ore also contains silver, which has been selling for prices north of \$17 per ounce recently. These high prices have increased exploration activity in the state. U.S. Silver is exploring the potential of the Calladay project near its Galena Mine, the Dayrock lead-zinc mine, and the Gem State property near the Golconda District. The company has found multiple veins at the 2,400-foot level that may contain high-grade ore. The company is also examining the possibility of reactivating Coeur Mine to access some of the mineralized zones left when it closed in 1998. Other companies are also active in the Silver Valley. New Jersey Mining Company plans to spend over \$1.7 million to explore gold, silver, and copper properties in Shoshone County. SNS Silver is looking at the possibility of bringing the Crescent Mine near Kellogg back into production. The Crescent, which closed in the 1980s, lies between two of the world's greatest silver producers—the Sunshine and Bunker Hill mines. It appears there are ample mineral supplies for further expansion. For example, the 65-year old Lucky Friday Mine has more silver in reserve than has been mined over the years and could be expanded for decades. But this sector's short-term fortunes will be driven more by economics than by geology. The expected cooling of the national economy suggests demand for metals should slow, and this will dampen the state's mining employment outlook. However, the retreat from current levels should be modest. Specifically, Idaho mining employment is forecast to drop to 2,715 jobs in 2009 and fall to 2,654 jobs in 2010 and remain near that level in 2011.



## Idaho Food Processing Employment



**Food Processing:** Idaho's food processing sector recently took its first step towards reclaiming its title as the state's largest manufacturing employer. Prior to 1997, this sector employed more workers than any other manufacturing sector. However, it ceded this title in 1997 when it was overtaken by the high-tech. The next year marked the first in what was to be a series of annual food processing employment losses. As a result, this sector was not in position to make a run for the championship until recently. Its fortunes began improving as new companies arrived on the scene, in some cases replacing companies that had been shut down. For example, the former

Swift and Company beef processing plant has been reopened by XL Foods, Inc. Gossner Foods, Inc. opened a new cheese manufacturing plant in Heyburn on land formerly occupied by the J.R. Simplot plant. Brewster Dairy, Inc. has taken over the former Kraft plant in Rupert. Marathon Cheese is building a \$27-million plant in Mountain Home that will employ 250 workers. The plant's employment should climb to twice that many jobs in five years. Another new plant is High Desert Milk in Burley. When completed, this plant will employ 30 workers to manufacture powdered milk. Idaho Milk Products broke ground on a 180,000-square-foot facility in Jerome in late October. Once operational, the plant will process about 3 million gallons of milk per day into protein powders, lactose permeate, and cream. This recovery is important because food processing is an essential part of the Gem State's economy. This sector had 14,700 jobs in 2006, making it the state's second largest manufacturing employer. Idaho food processing employment is forecast to rise 3.9% this year, which will help it regain its title as the state's largest manufacturing employer. It will retain this top spot by increasing its payroll by 0.8% next year, 0.2% in 2010, and 0.7% in 2011. Other measures also point to this sector's importance. The real value of food manufacturing output accounted for more than half (55.6%) of the total Idaho nondurable manufacturing output from 1997 to 2006 and about 2.4% of the state's total gross domestic product.

## FORECASTS COMPARISON

Idaho has a dynamic economy whose growth is influenced by a myriad of local, national, and international factors. Therefore, changes to the projected values of such diverse variables as oil prices, interest rates, and national housing starts can have an effect at the state level. In order to account for the effects of such changes on the state's economy, each issue of the *Idaho Economic Forecast* uses Global Insight's most recent forecast of the U.S. economy. Additional data, such as company-specific expansions and/or contractions are also considered.

The following comparison table shows how the outlooks for several key Idaho and national economic series have changed from the April 2008 to the July 2008 *Idaho Economic Forecast*. The April 2008 *Idaho Economic Forecast* is based on Global Insight's April 2008 baseline forecast and the July 2008 *Idaho Economic Forecast* is driven by Global Insight's July 2008 baseline U.S. macroeconomic forecast. In addition, an interim forecast was prepared in February 2008 in response to fast-changing national economic conditions. The summary table for the interim economic forecast is available at Idaho Division of Financial Management's (DFM) website.

Several key variables show how the forecasts for the national and state economies have changed compared to the April 2008 *Idaho Economic Forecast*. The outlook for the national economy has taken an interesting turn, with a slightly stronger showing this year followed by a weaker showing in 2009. In April 2008 it was forecast the economy would slip into a mild, two-quarter recession beginning in the first quarter of 2008. However, it now appears the economy was stronger than had been previously believed. Real GDP grew by 0.9% in the first quarter instead of declining and advanced 1.9% in the second quarter. The stronger showing during this year's first half does not mean a recession has been avoided; instead, it has been postponed. The quarterly data shows real GDP is expected to shrink in the last quarter of this year and the first quarter of next year. As a result, real GDP is 0.4% higher than in the previous forecast in 2008, but 0.4% lower in 2009. After 2009, real output is slightly (0.2%) higher than in the April 2008 *Idaho Economic Forecast*. The weaker economy exacts a toll on both income and employment from which neither fully recover over the forecast period. In 2009, real personal income is \$216 billion down from the previous forecast. Despite the slightly faster real GDP growth, it fails to totally make up this deficit, and by 2011 it is still \$82 billion below the previous forecast. Part of this difference reflects the projected higher inflation in the July 2008 forecast. The national employment recovery also fails to achieve parity with its predecessor. It goes from having 713,000 fewer jobs in 2009 to 286,000 fewer jobs in 2011.

Idaho's economic outlook is lower in the current forecast than in the April 2008 forecast. There are several reasons for this change. Nonfarm employment starts from a lower-than-expected level and grows slower than in the previous forecast. This combination makes the employment gap between the two forecasts grow wider with time. Specifically, Idaho nonfarm employment is 0.8% lower in the current forecast in 2008, 1.6% lower in 2009, 2.0% lower in 2010, and 2.5% lower in 2011. Looked at another way, in the terminal year of this forecast there are about 17,500 fewer jobs than in the April 2008 forecast. The gap between current and previous Idaho nominal personal income also widens over time, going from -0.1% in 2008 to -1.1% in 2011. As a result, Idaho nominal personal income is \$645 million lower in 2011 compared to the previous forecast.

**IDAHO ECONOMIC FORECAST  
FORECASTS COMPARISON  
DIFFERENCES BETWEEN  
JULY 2008 AND APRIL 2008 FORECASTS**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>U.S. GDP (BILLIONS)</b>										
Current \$	0	0	0	0	0	0	77	-24	143	166
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	-0.2%	0.9%	1.0%
2000 Chain-Weighted	0	0	0	0	0	0	51	-43	25	38
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	-0.4%	0.2%	0.3%
<b>PERSONAL INCOME - CURR \$</b>										
Idaho (Millions)	0	0	0	0	0	181	-34	-305	-392	-645
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	-0.1%	-0.6%	-0.7%	-1.1%
U.S. (Billions)	0	0	0	0	0	6	68	36	84	105
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.6%	0.3%	0.6%	0.7%
<b>PERSONAL INCOME - 2000 \$</b>										
Idaho (Millions)	0	0	0	0	0	154	-475	-1,233	-1,078	-1,172
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	-1.2%	-3.0%	-2.5%	-2.6%
U.S. (Billions)	0	0	0	0	0	5	-55	-216	-123	-82
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	-0.6%	-2.1%	-1.2%	-0.8%
<b>TOTAL NONFARM EMPLOYMENT</b>										
Idaho	1	-1	0	4	9	-35	-5,467	-10,498	-13,847	-17,537
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.8%	-1.6%	-2.0%	-2.5%
U.S. (Thousands)	0	0	0	0	0	0	-130	-713	-512	-286
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.5%	-0.4%	-0.2%
<b>GOODS PRODUCING SECTOR</b>										
Idaho	0	0	-1	-1	1	-452	-3,040	-4,482	-4,916	-6,167
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	-0.4%	-2.6%	-3.9%	-4.3%	-5.2%
U.S. (Thousands)	0	0	0	0	0	0	62	-27	-227	-293
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	-0.1%	-1.1%	-1.4%
<b>NONGOODS PRODUCING SECTOR</b>										
Idaho	1	-1	1	4	7	417	-2,427	-6,016	-8,932	-11,370
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	-0.4%	-1.1%	-1.6%	-1.9%
U.S. (Thousands)	0	0	0	0	0	0	-191	-687	-285	7
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.2%	-0.6%	-0.2%	0.0%
<b>SELECTED INTEREST RATES</b>										
Federal Funds Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%	0.2%	0.0%
Bank Prime Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%	0.2%	0.0%
Existing Home Mortgage Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.2%	0.0%	0.0%
<b>INFLATION</b>										
GDP Price Deflator	0.000	0.000	0.000	0.000	0.000	0.000	0.141	0.246	0.903	0.917
Personal Cons Deflator	0.000	0.000	0.000	0.000	0.000	0.000	1.370	3.019	2.281	1.928
Consumer Price Index	0.000	0.000	0.000	0.000	0.000	0.000	0.038	0.077	0.053	0.046

**Forecast Begins the SECOND Quarter of 2008**

## ALTERNATIVE FORECASTS

Global Insight has assigned a 60% probability of occurrence to its July 2008 baseline forecast of the U.S. economy. The major features of this forecast include:

- Real GDP increases 1.6% in 2008, 0.9% in 2009, 3.6% in 2010, and 3.4% in 2011;
- U.S. nonfarm employment grows 0.1% in 2008, 0.0% in 2009, and 1.4% in 2010, and 1.8% in 2011;
- the annual U.S. civilian unemployment rate climbs to a peak of 6.0% next year then gradually declines to 5.2% in 2011;
- consumer inflation is 5.3% in 2008, 3.3% in 2009, 0.5% in 2010, and 1.3% in 2011;
- the current account deficit is \$827 billion in 2008, \$885 billion in 2009, \$799 billion in 2010, and \$813 billion in 2011;
- the federal unified budget deficit is \$412 billion in 2008, \$497 billion in 2009, \$444 billion in 2010, and \$383 billion in 2011.

## OPTIMISTIC SCENARIO

Global Insight's *Optimistic Scenario* has been assigned a 20% probability of occurrence. Renewed strength in total factor productivity growth provides the key assumption distinguishing this scenario from the baseline. Total factor productivity, a measure of how technological progress augments economic growth, is enhanced by reinvigorated innovation in the technology sector. Stronger productivity gains, coupled with renewed optimism, facilitate enhanced business spending and a milder housing contraction. The stimulus package already in the pipeline adds fuel to the fire during the latter half of 2008. Productivity growth remains higher than in the baseline over the next decade, providing for stronger long-term growth, more employment, and lower budget deficits. Combined with a stronger currency, the productivity gains also help to contain inflation. Like its domestic cousin, foreign economic growth is also stronger. This strength helps boost U.S. exports and domestic manufacturing. As a result, real exports rise faster despite the stronger greenback. Finally, this scenario assumes energy prices are lower than in the baseline.

Under these assumptions, the economic outlook is much brighter. After recording 2.3% growth in this year's second quarter, real GDP accelerates to a 3.5% pace in the third quarter—more than twice as fast as in the baseline. As a result, real output shows respectable growth both this year and next in this scenario, while it sputters in the *Baseline Scenario*. Specifically, real GDP advances 2.1% in 2008 and 2.5% in 2009. In the baseline case the measure increases 1.6% in 2008 and 0.9% in 2009. Most significantly, this scenario is the only one of those covered here that avoids a recession during the forecast period.

The stronger national economy pays dividends in Idaho, with both employment and personal income outperforming their baseline counterparts. Total nonfarm employment advances faster in every year of the forecast, so that by 2011 there are about 11,000 more jobs than in the *Baseline Scenario*. The bulk of this increase is the nongoods-producing sector that advances faster over the forecast period, adding about 10,500 jobs to the difference. The remainder is made up of goods-producing employment. Interestingly, Idaho nominal personal income growth outpaces its baseline cousin only in the first two years of the forecast, but this is enough of a head start to enjoy a \$66 million advantage in 2011. After adjusting for inflation, the personal income gap grows much wider because much of the baseline's nominal personal income growth was due to higher inflation.

# IDAHO ECONOMIC FORECAST

## BASELINE AND ALTERNATIVE FORECASTS

### JULY 2008

	BASELINE				OPTIMISTIC				PESSIMISTIC			
	2008	2009	2010	2011	2008	2009	2010	2011	2008	2009	2010	2011
<b>U.S. GDP (BILLIONS)</b>												
Current \$	14,360	14,798	15,699	16,559	14,426	15,039	15,904	16,707	14,285	14,503	15,381	16,303
% Ch	3.7%	3.1%	6.1%	5.5%	4.2%	4.2%	5.8%	5.0%	3.2%	1.5%	6.1%	6.0%
2000 Chain-Weighted	11,754	11,860	12,291	12,710	11,813	12,104	12,584	13,012	11,691	11,583	11,930	12,297
% Ch	1.6%	0.9%	3.6%	3.4%	2.1%	2.5%	4.0%	3.4%	1.1%	-0.9%	3.0%	3.1%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	48,884	50,875	53,769	57,161	48,935	51,185	53,968	57,227	48,867	50,445	52,923	56,119
% Ch	4.1%	4.1%	5.7%	6.3%	4.2%	4.6%	5.4%	6.0%	4.1%	3.2%	4.9%	6.0%
U.S. (Billions)	12,215	12,624	13,298	14,075	12,252	12,813	13,500	14,217	12,200	12,504	13,132	13,975
% Ch	4.7%	3.4%	5.3%	5.8%	5.0%	4.6%	5.4%	5.3%	4.6%	2.5%	5.0%	6.4%
<b>PERSONAL INCOME - 2000 \$</b>												
Idaho (Millions)	39,918	40,274	42,116	44,143	40,149	41,126	43,022	45,108	39,785	39,494	40,718	42,219
% Ch	0.0%	0.9%	4.6%	4.8%	0.5%	2.4%	4.6%	4.8%	-0.4%	-0.7%	3.1%	3.7%
U.S. (Billions)	9,975	9,994	10,416	10,870	10,052	10,295	10,762	11,206	9,933	9,789	10,104	10,513
% Ch	0.5%	0.2%	4.2%	4.4%	1.3%	2.4%	4.5%	4.1%	0.1%	-1.4%	3.2%	4.1%
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	655,149	659,866	672,351	690,885	656,099	666,612	682,363	701,959	654,205	651,521	655,679	667,140
% Ch	-0.2%	0.7%	1.9%	2.8%	0.0%	1.6%	2.4%	2.9%	-0.3%	-0.4%	0.6%	1.7%
U.S. (Thousands)	137,726	137,662	139,538	142,067	138,280	140,590	143,344	145,507	137,397	136,128	137,365	139,849
% Ch	0.1%	0.0%	1.4%	1.8%	0.5%	1.7%	2.0%	1.5%	-0.2%	-0.9%	0.9%	1.8%
<b>GOODS-PRODUCING SECTOR</b>												
Idaho	114,666	109,790	109,904	112,156	114,692	110,722	110,885	112,630	114,271	106,584	105,614	107,665
% Ch	-7.1%	-4.3%	0.1%	2.0%	-7.0%	-3.5%	0.1%	1.6%	-7.4%	-6.7%	-0.9%	1.9%
U.S. (Thousands)	21,489	20,841	20,627	21,012	21,504	21,208	21,379	21,740	21,474	20,426	19,842	20,140
% Ch	-3.3%	-3.0%	-1.0%	1.9%	-3.2%	-1.4%	0.8%	1.7%	-3.4%	-4.9%	-2.9%	1.5%
<b>NONGOODS-PRODUCING SECTOR</b>												
Idaho	540,483	550,076	562,448	578,729	541,407	555,890	571,478	589,329	539,935	544,937	550,065	559,475
% Ch	1.4%	1.8%	2.2%	2.9%	1.6%	2.7%	2.8%	3.1%	1.3%	0.9%	0.9%	1.7%
U.S. (Thousands)	116,237	116,821	118,911	121,055	116,776	119,382	121,965	123,767	115,923	115,703	117,523	119,709
% Ch	0.7%	0.5%	1.8%	1.8%	1.2%	2.2%	2.2%	1.5%	0.5%	-0.2%	1.6%	1.9%
<b>SELECTED INTEREST RATES</b>												
Federal Funds	2.3%	2.4%	4.3%	4.8%	2.3%	2.3%	3.8%	4.5%	2.5%	3.6%	5.6%	6.0%
Bank Prime	5.3%	5.4%	7.3%	7.8%	5.3%	5.3%	6.8%	7.5%	5.5%	6.6%	8.6%	9.0%
Existing Home Mortgage	6.1%	5.9%	6.9%	7.2%	6.0%	5.5%	6.4%	6.9%	6.4%	7.0%	7.9%	8.0%
<b>INFLATION</b>												
GDP Price Deflator	2.1%	2.1%	2.4%	2.0%	2.1%	1.7%	1.7%	1.6%	2.1%	2.5%	3.0%	2.8%
Personal Cons Deflator	4.2%	3.1%	1.1%	1.4%	3.6%	2.1%	0.8%	1.1%	4.5%	4.0%	1.8%	2.3%
Consumer Price Index	5.3%	3.3%	0.5%	1.3%	4.5%	2.1%	0.5%	1.0%	5.7%	4.2%	1.1%	2.0%

Forecast Begins the SECOND Quarter of 2008

## PESSIMISTIC SCENARIO

The *Pessimistic Scenario* has been assigned a 20% probability of occurrence. This scenario assumes the housing recession deepens even more than in the baseline and the price of oil shoots above \$160 per barrel this summer. This fatal combination sends the economy into a full-blown recession. Despite the effects of the stimulus package, real GDP tumbles. After the impact of the stimulative monetary and fiscal policies wear off, the economy contracts over two additional quarters. Peak to trough, real GDP shrinks 1.7% during these three quarters (2008:3 to 2009:1). Like the recessions of 1991 and 2001, this one is still mild compared with earlier postwar recessions. Unlike the past two recessions, however, the economy remains on the ropes longer and emerges from the downturn weaker, facing more troubles ahead.

On an annual basis, real output increases a meager 1.1% in 2008 and contracts by 0.9% in 2009. In comparison, real GDP is forecast to rise 1.6% this year and 0.9% next year in the *Baseline Scenario*. Employment drops for seven straight quarters (losing two million jobs) and industrial production falls in five of six quarters. Over the longer term, real GDP advances slower than in the *Baseline Scenario*, mainly because productivity advances only 1.5% annually over the next ten years, compared with the baseline's 2.0% pace. Inflation is higher in the *Pessimistic Scenario* because of the slower productivity growth and the weaker dollar. It also reflects the Federal Reserve's policy to live with 3.0% inflation rather than risk another recession by trying to bring it lower.

Ripples from the weaker national economic growth cause the state's economy to experience sub-par growth over the forecast period. Most notably, Idaho nonfarm employment grows much slower, causing it to be about 23,700 lower than in the baseline. Employment actually falls during the first two years of the forecast before eking out meager gains in 2010 and 2011. The goods-producing sector is particularly hard hit, posting losses through 2010. As with employment, Idaho nominal personal income growth is also weaker in each year of the forecast. The combination of weak growth and higher inflation causes Idaho real personal income to retreat in both 2008 and 2009. Given this bad start, it is no surprise it is about \$1.9 billion lower in 2011 than in the *Baseline Scenario*.

# Consumer Sentiment and Consumer Spending

James A. Wilcox<sup>1</sup>

In the U.S. economy, two-thirds of production and expenditures are devoted to consumer spending, or personal consumption expenditures (PCE), which include most of retail sales, as well as households' expenditures on such items as rent, utilities, and much of medical care. Because this is such a large sector of the economy, the forecast accuracy of PCE affects the forecast accuracy of some of the key variables that policymakers focus on, such as unemployment, incomes, inflation, and interest rates. A large body of research has documented that measures of income, wealth, and interest rates, which indicate consumers' *ability* to spend, do consistently help forecast future consumer spending. The research results are less consistent, however, for forecast models that also include measures of consumers' *willingness* to spend, such as the University of Michigan's Index of Consumer Sentiment (ICS). Nonetheless, at some times, measures of consumer attitudes do seem to provide additional information about households' future spending; one such example is the period near the 1990-1991 recession.

This *Economic Letter* describes how the ICS is constructed and reviews some past research on whether measures of consumer attitudes improve forecasts of consumer spending. It also reports on some new research, which found that using the answers to the individual component questions of the ICS, rather than the ICS itself, further improved forecasts of PCE and its components. Finally, it shows how much and when measures of consumer attitudes might have helped forecasts in recent years.

## Component questions of the ICS

From the large number of questions that it asks households, the University of Michigan's Survey Research Center constructs the ICS by aggregating the answers to five questions. (The possible answers to the five questions that are used to construct the ICS are shown in brackets below.)

1. "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?" [better off, same, worse off, or don't know]
2. "Now looking ahead—do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?" [better off, same, worse off, or don't know]
3. "Now turning to business conditions in the country as a whole—do you think that during the next 12 months we'll have good times financially, or bad times, or what?" [good times, uncertain, bad times, don't know]
4. "Looking ahead, which would you say is more likely—that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?" [good times, uncertain, bad times, don't know]

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<sup>1</sup> This article originally appeared in the Number 2008-19; June 27, 2008 *FRBSF Economic Letter*. Opinions expressed in this article are those of the authors and do not necessarily reflect the views of the management of the Federal Reserve Bank of San Francisco or the Board of Governors of the Federal Reserve System.

5. "About the big things people buy for their homes—such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?" [good time, uncertain, bad time]

### **Why consumer attitudes might improve forecasts**

Measures of consumer attitudes, such as the ICS, might improve consumption forecasts for several reasons. First, while most other macroeconomic data report what already happened, the ICS data report on consumers' views about their own and the economy's recent, *current*, and *expected* economic conditions. Thus, these data may be more informative about future consumer spending.

Second, consumer attitudes may incorporate households' estimates of the impacts of rare or even unique shocks, whose effects cannot be directly estimated from past experience or data. Such events might include the first oil embargo and oil price shock in the mid-1970s, the Gulf wars, the effects of Hurricane Katrina, or even a dramatic surge in oil prices to well over \$100 per barrel. Such shocks could include events or policies that importantly change how the economy operates. For example, if a new Fed Chair were widely anticipated to follow a distinctly different monetary policy from his predecessor's, consumer attitudes then might well incorporate how households, businesses, and the entire economy might react differently to various economic and financial events. The changed responses of consumer spending would not typically be forecastable from macroeconomic data.

Third, households' answers might reflect changed expectations and uncertainties about future conditions that have not yet occurred. For example, significant changes in political candidates' election prospects might lead households to have both higher expectations of and higher uncertainty about future taxes. As a result, the numbers of households who answer that this is a good time to buy major household goods might well decline, followed by actual declines in such purchases. These repercussions on households' expectations and on their spending often would not be captured by the macroeconomic variables that are typically used to forecast consumer spending.

### **Some results of previous research**

Research has long noted a strong, positive correlation between consumer attitudes and consumer spending. The empirical evidence, however, is less consistent about whether, once other macroeconomic variables are allowed for, consumer attitudes forecast consumer spending. Juster and Wachtel (1972a, b), for example, reported that "anticipatory variables" (including the ICS) were of considerable importance in forecasting expenditures on autos. Kelly (1990) reported that consumer attitudes directly affected consumer spending, imports, business inventories, and industrial production. In addition, Carroll, Fuhrer, and Wilcox (1994) reported that consumer attitudes further improved consumption forecasts, even after other macroeconomic variables were allowed for.

In other studies, however, consumer attitudes did not significantly improve consumption forecasts when macroeconomic variables (such as income, interest rates, assets, or liabilities) were taken into account. Hymans (1970) pointed out that in the majority of econometric models, consumer attitudes played little if any part. Mishkin (1978) found that, once the effects of financial assets and liabilities were considered, the effects of consumer attitudes were typically insignificant. Further, the large, multi-equation forecasting models of the Federal Reserve, of the OECD, and of some consultancies historically omitted consumer attitudes from their equations for forecasting consumer spending.

### **Recent research**

Wilcox (2007) compared models for forecasting consumer spending without measures of consumer attitudes to models with them. The study evaluated the forecasting improvements attributable to the ICS



and to each of its component questions. The study used national aggregate data for 1960-2006 for (annualized growth rates of seasonally adjusted, real, per capita) consumer spending, personal disposable income, and household wealth. Consumer spending was measured by PCE. The study also evaluated forecasts of the components of PCE: durables (including expenditures on vehicles and on nonvehicle durables), nondurable goods, and services. To explore further the forecasting contributions of consumer attitudes, out-of-sample forecasts were calculated for each year from 2000 through 2005.

The baseline models used in the study were fairly similar to those used by Carroll, Fuhrer, and Wilcox (1994), Bram and Ludvigson (1998), and others: the models forecast the annualized, one-quarter-ahead and four-quarter-ahead growth rates of consumption (and each of its components), based on four quarterly lags of the forecasted variable, of income, of the home-equity and non-home-equity components of household net worth, and the levels of interest and inflation rates. Interest and inflation rates were represented by the one-year nominal interest Treasury bill yield and the year-over-year percent change in the seasonally adjusted, quarterly average, consumer price index.

### Forecasting results

—Earlier studies typically focused on the ICS, which aggregates the answers to the five questions above. In contrast, this study found that the individual component questions were much more informative about future consumption than the aggregate ICS. For instance, answers to Question 5 more reliably improved year-on-year forecasts of total consumption growth and each of its components than did either the ICS or any of the other four questions.

—Earlier studies focused on the usefulness of the ICS for forecasting consumption for the next calendar quarter. This study found that the individual component questions (and the ICS) much more reliably improved forecasts for a longer, four-quarter horizon.

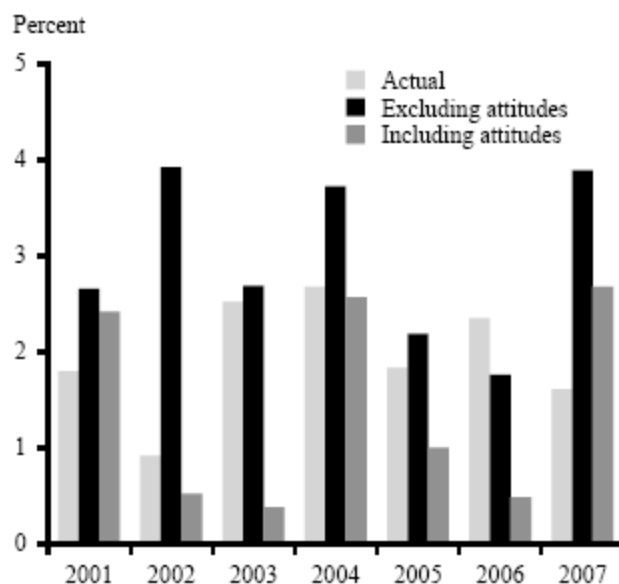
—Earlier studies found that consumer attitudes improved forecasts of expenditures on durables and, in particular, on the vehicles component of durables. The study found that the individual component questions of the ICS improved not only forecasts of expenditures on durables but also forecasts of expenditures on nondurables and on services.

—Earlier studies focused on whether consumer attitudes improved forecasts after considering the effects of income, wealth, and interest rates. The study found that the individual questions tended to improve forecasts of PCE and of its components as much as, or more than, macroeconomic variables did.

—The study also found that including the ICS or its components improved forecasts for recent years.

Figure 1 shows the actual growth rate of (real, per capita) PCE for each year during 2001-2007 and two sets of forecasts that, for each year, could have been made from the end of the prior year. The middle bar for each year shows forecasts based on models that excluded any questions

**Figure 1**  
Actual consumption growth and forecasts excluding and including consumer attitudes



about consumer attitudes ("excluding attitudes"). The rightmost bar shows forecasts based on models that included all five component questions of the ICS ("including attitudes"). Forecasts excluding the questions averaged about 1 percentage point above, while forecasts including them averaged about ½ percentage point below, actual consumption growth. By that measure, forecasts including the questions were more accurate.

Increases or decreases in accuracy seem to align with periods of weakness or strength in the economy. Forecasts including the ICS questions were more accurate when consumption growth was falling (as in the 2001 recession) or low (as in the sluggish recovery year of 2002) and when the economy was slowing (as in 2007). Forecasts excluding the ICS questions were more accurate when the economy and consumer spending were booming (as in 2005 and 2006). Thus, the forecasting contributions of consumer attitudes seem stronger when the economy is weaker, although, admittedly, the reasons for these results are not yet fully understood. Given the importance and difficulty of forecasting when the economy is weaker, that strength may appear just when it is most valuable to analysts and policymakers.

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# **IDAHO ECONOMIC FORECAST**

**July 2008**

## **FORECAST DETAIL**

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### **Reporting Conventions**

Units of measurement are presented in the individual reports.

The percentage change numbers given in the annual reports are simple period-to-period percent changes. Since the periods are years, they are thus simple annual changes. The percentage changes given in the quarterly report are period-to-period changes at compound annual rates, following standard practice. A large change in a given quarter can seem to be exaggerated since the calculation assumes the change is compounded over an entire year.

### **Data Sources**

National forecast data is provided by Global Insight, as well as the Food and Agricultural Policy Research Institute (FAPRI). Historical data for the models are obtained from the following agencies: Bureau of the Census (demographic), Bureau of Economic Analysis (income), Bureau of Labor Statistics (employment), Federal Reserve Board of Governors (production), and U.S. Department of Agriculture (farm).

Idaho historical data is obtained from the Department of Commerce and Labor (employment and hourly earnings), Bureau of Vital Statistics (births and deaths), Division of Financial Management (migration), and the Bureau of Economic Analysis (income).

The Idaho average annual wage is calculated by the Division of Financial Management from Bureau of Economic Analysis and Idaho Department of Commerce and Labor data. Because of the different methodology used and data available, this figure may not match those published by other sources.

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
JULY 2008**

**DEMOGRAPHICS**

	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b>POPULATION</b>									
Idaho (Thousands)	1,144.9	1,177.0	1,203.2	1,228.4	1,252.3	1,275.7	1,299.1	1,320.7	1,342.0
% Ch	3.3%	2.8%	2.2%	2.1%	1.9%	1.9%	1.8%	1.7%	1.6%
National (Millions)	263.853	266.980	270.115	273.368	276.553	279.731	282.841	285.866	288.811
% Ch	1.2%	1.2%	1.2%	1.2%	1.2%	1.1%	1.1%	1.1%	1.0%
<b>BIRTHS</b>									
Idaho (Thousands)	17.690	17.915	18.482	18.599	19.188	19.897	20.304	20.684	21.002
% Ch	0.7%	1.3%	3.2%	0.6%	3.2%	3.7%	2.0%	1.9%	1.5%
National (Thousands)	4,010	3,951	3,971	3,964	4,038	4,028	4,070	4,062	4,092
% Ch	-0.7%	-1.5%	0.5%	-0.2%	1.9%	-0.2%	1.0%	-0.2%	0.7%
<b>DEATHS</b>									
Idaho (Thousands)	8.478	8.553	8.679	8.953	9.105	9.488	9.538	9.811	9.935
% Ch	2.4%	0.9%	1.5%	3.2%	1.7%	4.2%	0.5%	2.9%	1.3%
National (Thousands)	2,322	2,349	2,350	2,351	2,406	2,406	2,410	2,476	2,469
% Ch	1.2%	1.2%	0.0%	0.0%	2.3%	0.0%	0.2%	2.7%	-0.3%
<b>NET MIGRATION</b>									
Idaho (Thousands)	27.115	22.652	16.417	15.583	13.836	12.975	12.658	10.645	10.247
<b>HOUSING</b>									
<b>HOUSING STARTS</b>									
Idaho	12,869	9,472	9,283	8,888	10,155	10,363	11,500	12,207	13,229
% Ch	11.0%	-26.4%	-2.0%	-4.3%	14.3%	2.0%	11.0%	6.1%	8.4%
National (Millions)	1.446	1.361	1.469	1.475	1.621	1.647	1.573	1.601	1.710
% Ch	12.0%	-5.9%	7.9%	0.4%	9.9%	1.6%	-4.5%	1.8%	6.8%
<b>SINGLE UNITS</b>									
Idaho	9,424	7,296	7,844	7,652	9,040	9,191	10,337	10,378	11,141
% Ch	5.3%	-22.6%	7.5%	-2.4%	18.1%	1.7%	12.5%	0.4%	7.4%
National (Millions)	1.191	1.082	1.154	1.136	1.278	1.306	1.232	1.272	1.363
% Ch	5.4%	-9.2%	6.7%	-1.6%	12.4%	2.2%	-5.7%	3.2%	7.2%
<b>MULTIPLE UNITS</b>									
Idaho	3,446	2,176	1,440	1,236	1,115	1,172	1,163	1,829	2,087
% Ch	30.1%	-36.9%	-33.8%	-14.2%	-9.8%	5.1%	-0.8%	57.3%	14.1%
National (Millions)	0.255	0.279	0.314	0.338	0.344	0.341	0.341	0.330	0.347
% Ch	58.3%	9.4%	12.7%	7.6%	1.6%	-0.7%	0.1%	-3.5%	5.3%
<b>HOUSING STOCK</b>									
Idaho (Thousands)	369.2	378.3	386.8	394.3	402.9	411.9	421.8	432.7	443.6
% Ch	3.3%	2.5%	2.2%	1.9%	2.2%	2.2%	2.4%	2.6%	2.5%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2008

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
JULY 2008**

**DEMOGRAPHICS**

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>POPULATION</b>									
Idaho (Thousands)	1,365.5	1,391.0	1,428.0	1,465.7	1,501.8	1,532.2	1,556.6	1,582.8	1,613.6
% Ch	1.8%	1.9%	2.7%	2.6%	2.5%	2.0%	1.6%	1.7%	1.9%
National (Millions)	291.661	294.457	297.337	300.127	302.833	305.516	308.189	310.852	313.520
% Ch	1.0%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
<b>BIRTHS</b>									
Idaho (Thousands)	21.735	22.526	23.069	24.150	25.289	26.034	26.536	27.108	27.872
% Ch	3.5%	3.6%	2.4%	4.7%	4.7%	2.9%	1.9%	2.2%	2.8%
National (Thousands)	4,124	4,161	4,204	4,244	4,288	4,332	4,376	4,420	4,455
% Ch	0.8%	0.9%	1.0%	0.9%	1.0%	1.0%	1.0%	1.0%	0.8%
<b>DEATHS</b>									
Idaho (Thousands)	10.308	10.020	10.413	10.471	11.053	11.258	11.432	11.615	11.824
% Ch	3.8%	-2.8%	3.9%	0.6%	5.6%	1.9%	1.5%	1.6%	1.8%
National (Thousands)	2,462	2,456	2,453	2,479	2,501	2,527	2,552	2,577	2,599
% Ch	-0.3%	-0.2%	-0.1%	1.1%	0.9%	1.0%	1.0%	1.0%	0.9%
<b>NET MIGRATION</b>									
Idaho (Thousands)	12.077	13.013	24.319	24.094	21.845	15.601	9.324	10.655	14.805
<b>HOUSING</b>									
<b>HOUSING STARTS</b>									
Idaho	16,389	18,659	23,351	19,425	14,239	10,715	12,840	12,822	14,295
% Ch	23.9%	13.9%	25.1%	-16.8%	-26.7%	-24.7%	19.8%	-0.1%	11.5%
National (Millions)	1.854	1.950	2.073	1.812	1.341	0.933	1.009	1.434	1.692
% Ch	8.4%	5.2%	6.3%	-12.6%	-26.0%	-30.4%	8.2%	42.2%	18.0%
<b>SINGLE UNITS</b>									
Idaho	13,858	16,152	20,891	17,419	11,918	9,210	10,752	10,481	11,838
% Ch	24.4%	16.5%	29.3%	-16.6%	-31.6%	-22.7%	16.7%	-2.5%	12.9%
National (Millions)	1.505	1.604	1.719	1.474	1.034	0.640	0.746	1.144	1.377
% Ch	10.4%	6.6%	7.1%	-14.3%	-29.8%	-38.1%	16.7%	53.4%	20.3%
<b>MULTIPLE UNITS</b>									
Idaho	2,531	2,508	2,460	2,006	2,322	1,505	2,088	2,341	2,457
% Ch	21.2%	-0.9%	-1.9%	-18.5%	15.7%	-35.2%	38.7%	12.1%	5.0%
National (Millions)	0.349	0.345	0.354	0.338	0.307	0.293	0.263	0.290	0.315
% Ch	0.5%	-1.0%	2.6%	-4.5%	-9.4%	-4.5%	-10.4%	10.5%	8.6%
<b>HOUSING STOCK</b>									
Idaho (Thousands)	457.6	473.7	494.3	514.6	529.0	538.6	549.3	560.4	572.3
% Ch	3.2%	3.5%	4.3%	4.1%	2.8%	1.8%	2.0%	2.0%	2.1%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2008

**IDAHO ECONOMIC FORECAST**  
**ANNUAL DETAIL**  
**JULY 2008**

**OUTPUT, INCOME, & WAGES**

	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b>U.S. GROSS DOM. PRODUCT (Billions)</b>									
Current Dollars	7,072	7,398	7,817	8,304	8,747	9,268	9,817	10,128	10,470
% Ch	6.2%	4.6%	5.7%	6.2%	5.3%	6.0%	5.9%	3.2%	3.4%
2000 Chain-Weighted	7,835	8,032	8,329	8,704	9,067	9,470	9,817	9,891	10,049
% Ch	4.0%	2.5%	3.7%	4.5%	4.2%	4.4%	3.7%	0.8%	1.6%
 <b>PERSONAL INCOME - CURR \$</b>									
Idaho (Millions)	21,422	22,871	24,360	25,367	27,287	29,068	31,290	33,054	33,849
% Ch	6.7%	6.8%	6.5%	4.1%	7.6%	6.5%	7.6%	5.6%	2.4%
Idaho Nonfarm (Millions)	20,685	22,057	23,433	24,611	26,350	28,054	30,448	32,039	32,921
% Ch	8.8%	6.6%	6.2%	5.0%	7.1%	6.5%	8.5%	5.2%	2.8%
National (Billions)	5,843	6,152	6,521	6,915	7,423	7,802	8,430	8,724	8,882
% Ch	5.1%	5.3%	6.0%	6.1%	7.3%	5.1%	8.0%	3.5%	1.8%
 <b>PERSONAL INCOME - 2000 \$</b>									
Idaho (Millions)	23,892	24,973	26,040	26,666	28,429	29,788	31,289	32,376	32,690
% Ch	4.5%	4.5%	4.3%	2.4%	6.6%	4.8%	5.0%	3.5%	1.0%
Idaho Nonfarm (Millions)	23,068	24,085	25,048	25,871	27,452	28,748	30,447	31,382	31,795
% Ch	6.6%	4.4%	4.0%	3.3%	6.1%	4.7%	5.9%	3.1%	1.3%
National (Billions)	6,516	6,718	6,970	7,269	7,734	7,996	8,429	8,545	8,578
% Ch	2.9%	3.1%	3.8%	4.3%	6.4%	3.4%	5.4%	1.4%	0.4%
 <b>PER CAPITA PERS INC - CURR \$</b>									
Idaho	18,708	19,431	20,246	20,649	21,788	22,784	24,084	25,029	25,222
% Ch	3.3%	3.9%	4.2%	2.0%	5.5%	4.6%	5.7%	3.9%	0.8%
National	22,142	23,043	24,139	25,295	26,840	27,891	29,803	30,518	30,753
% Ch	3.8%	4.1%	4.8%	4.8%	6.1%	3.9%	6.9%	2.4%	0.8%
 <b>PER CAPITA PERS INC - 2000 \$</b>									
Idaho	20,866	21,218	21,642	21,707	22,700	23,349	24,084	24,515	24,360
% Ch	1.2%	1.7%	2.0%	0.3%	4.6%	2.9%	3.1%	1.8%	-0.6%
National	24,695	25,163	25,803	26,591	27,964	28,584	29,802	29,893	29,702
% Ch	1.7%	1.9%	2.5%	3.1%	5.2%	2.2%	4.3%	0.3%	-0.6%
 <b>AVERAGE ANNUAL WAGE</b>									
Idaho	22,728	23,594	24,147	24,803	25,822	26,992	28,657	28,736	29,209
% Ch	3.1%	3.8%	2.3%	2.7%	4.1%	4.5%	6.2%	0.3%	1.6%
National	28,279	29,148	30,237	31,582	33,219	34,622	36,641	37,494	38,215
% Ch	1.7%	3.1%	3.7%	4.4%	5.2%	4.2%	5.8%	2.3%	1.9%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2008

**IDAHO ECONOMIC FORECAST**  
**ANNUAL DETAIL**  
**JULY 2008**

**OUTPUT, INCOME, & WAGES**

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>U.S. GROSS DOM. PRODUCT (Billions)</b>									
Current Dollars	10,961	11,686	12,434	13,195	13,841	14,360	14,798	15,699	16,559
% Ch	4.7%	6.6%	6.4%	6.1%	4.9%	3.7%	3.1%	6.1%	5.5%
2000 Chain-Weighted	10,301	10,676	11,004	11,319	11,567	11,754	11,860	12,291	12,710
% Ch	2.5%	3.6%	3.1%	2.9%	2.2%	1.6%	0.9%	3.6%	3.4%
 <b>PERSONAL INCOME - CURR \$</b>									
Idaho (Millions)	34,816	38,079	40,355	43,800	46,958	48,884	50,875	53,769	57,161
% Ch	2.9%	9.4%	6.0%	8.5%	7.2%	4.1%	4.1%	5.7%	6.3%
Idaho Nonfarm (Millions)	34,099	37,100	39,482	43,150	46,003	47,897	49,739	52,601	55,955
% Ch	3.6%	8.8%	6.4%	9.3%	6.6%	4.1%	3.8%	5.8%	6.4%
National (Billions)	9,164	9,727	10,301	10,983	11,666	12,215	12,624	13,298	14,075
% Ch	3.2%	6.2%	5.9%	6.6%	6.2%	4.7%	3.4%	5.3%	5.8%
 <b>PERSONAL INCOME - 2000 \$</b>									
Idaho (Millions)	32,970	35,127	36,160	38,192	39,930	39,918	40,274	42,116	44,143
% Ch	0.9%	6.5%	2.9%	5.6%	4.6%	0.0%	0.9%	4.6%	4.8%
Idaho Nonfarm (Millions)	32,290	34,223	35,378	37,626	39,119	39,112	39,375	41,201	43,211
% Ch	1.6%	6.0%	3.4%	6.4%	4.0%	0.0%	0.7%	4.6%	4.9%
National (Billions)	8,678	8,973	9,231	9,578	9,920	9,975	9,994	10,416	10,870
% Ch	1.2%	3.4%	2.9%	3.8%	3.6%	0.5%	0.2%	4.2%	4.4%
 <b>PER CAPITA PERS INC - CURR \$</b>									
Idaho	25,497	27,373	28,257	29,880	31,265	31,904	32,682	33,969	35,422
% Ch	1.1%	7.4%	3.2%	5.7%	4.6%	2.0%	2.4%	3.9%	4.3%
National	31,418	33,033	34,643	36,595	38,521	39,980	40,962	42,778	44,893
% Ch	2.2%	5.1%	4.9%	5.6%	5.3%	3.8%	2.5%	4.4%	4.9%
 <b>PER CAPITA PERS INC - 2000 \$</b>									
Idaho	24,145	25,252	25,322	26,055	26,588	26,054	25,872	26,608	27,355
% Ch	-0.9%	4.6%	0.3%	2.9%	2.0%	-2.0%	-0.7%	2.8%	2.8%
National	29,752	30,473	31,044	31,911	32,757	32,649	32,427	33,508	34,669
% Ch	0.2%	2.4%	1.9%	2.8%	2.7%	-0.3%	-0.7%	3.3%	3.5%
 <b>AVERAGE ANNUAL WAGE</b>									
Idaho	29,768	30,962	31,933	33,759	34,928	36,017	37,302	38,655	39,989
% Ch	1.9%	4.0%	3.1%	5.7%	3.5%	3.1%	3.6%	3.6%	3.5%
National	39,330	41,046	42,392	44,220	46,258	48,166	49,819	51,519	53,321
% Ch	2.9%	4.4%	3.3%	4.3%	4.6%	4.1%	3.4%	3.4%	3.5%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2008

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
JULY 2008**

**PERSONAL INCOME--CURRENT \$\$**

	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b>WAGE AND SALARY PAYMENTS</b>									
Idaho (Millions)	10,896	11,701	12,284	13,078	13,936	15,024	16,552	16,880	17,256
% Ch	9.2%	7.4%	5.0%	6.5%	6.6%	7.8%	10.2%	2.0%	2.2%
National (Billions)	3,232	3,419	3,620	3,878	4,183	4,466	4,829	4,943	4,981
% Ch	4.8%	5.8%	5.9%	7.1%	7.9%	6.8%	8.1%	2.4%	0.8%
<b>FARM PROPRIETORS INCOME</b>									
Idaho (Millions)	453	515	643	425	607	690	471	646	497
% Ch	-45.8%	13.6%	25.0%	-33.9%	42.8%	13.7%	-31.8%	37.1%	-23.0%
National (Billions)	34	23	37	34	29	29	23	20	11
% Ch	8.7%	-33.2%	64.5%	-8.3%	-14.1%	-2.6%	-20.7%	-13.1%	-46.3%
<b>NONFARM PROPRIETORS INCOME</b>									
Idaho (Millions)	2,312	2,229	2,324	2,313	2,480	2,765	2,883	3,312	3,290
% Ch	10.8%	-3.6%	4.2%	-0.5%	7.2%	11.5%	4.3%	14.9%	-0.6%
National (Billions)	439	469	506	542	598	650	706	752	758
% Ch	4.0%	6.8%	7.8%	7.1%	10.4%	8.6%	8.6%	6.6%	0.7%
<b>DIVIDENDS, RENT &amp; INTEREST</b>									
Idaho (Millions)	3,957	4,350	4,718	5,068	5,545	5,546	5,909	6,195	6,051
% Ch	10.9%	9.9%	8.5%	7.4%	9.4%	0.0%	6.5%	4.8%	-2.3%
National (Billions)	1,070	1,139	1,221	1,310	1,421	1,412	1,537	1,547	1,486
% Ch	7.3%	6.4%	7.2%	7.3%	8.4%	-0.6%	8.9%	0.7%	-4.0%
<b>OTHER LABOR INCOME</b>									
Idaho (Millions)	2,729	2,846	2,881	2,929	3,063	3,243	3,549	3,647	4,041
% Ch	8.5%	4.3%	1.2%	1.7%	4.6%	5.9%	9.4%	2.8%	10.8%
National (Billions)	493	494	492	498	530	562	610	643	745
% Ch	4.4%	0.1%	-0.2%	1.0%	6.5%	6.2%	8.5%	5.4%	15.9%
<b>GOVT. TRANSFERS TO INDIV.</b>									
Idaho (Millions)	2,789	3,023	3,319	3,408	3,557	3,776	4,079	4,568	4,971
% Ch	5.5%	8.4%	9.8%	2.7%	4.4%	6.1%	8.0%	12.0%	8.8%
National (Billions)	827	877	925	951	979	1,022	1,084	1,194	1,286
% Ch	4.7%	6.1%	5.4%	2.8%	2.9%	4.4%	6.1%	10.1%	7.7%
<b>CONTRIB. FOR SOCIAL INSUR.</b>									
Idaho (Millions)	1,951	2,074	2,134	2,223	2,337	2,480	2,676	2,724	2,802
% Ch	10.5%	6.3%	2.9%	4.2%	5.1%	6.1%	7.9%	1.8%	2.9%
National (Billions)	254	264	275	290	307	323	344	357	365
% Ch	6.0%	3.9%	4.1%	5.3%	6.0%	5.3%	6.2%	3.8%	2.4%
<b>RESIDENCE ADJUSTMENT</b>									
Idaho (Millions)	238	281	326	369	437	504	525	531	544
% Ch	13.3%	18.3%	15.9%	13.2%	18.3%	15.4%	4.1%	1.1%	2.5%

National Variables Forecast by Global Insight  
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**IDAHO ECONOMIC FORECAST**  
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**PERSONAL INCOME--CURRENT \$\$**

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>WAGE AND SALARY PAYMENTS</b>									
Idaho (Millions)	17,690	18,906	20,306	22,358	23,727	24,506	25,578	26,955	28,602
% Ch	2.5%	6.9%	7.4%	10.1%	6.1%	3.3%	4.4%	5.4%	6.1%
National (Billions)	5,113	5,395	5,668	6,018	6,366	6,634	6,858	7,189	7,576
% Ch	2.6%	5.5%	5.1%	6.2%	5.8%	4.2%	3.4%	4.8%	5.4%
<b>FARM PROPRIETORS INCOME</b>									
Idaho (Millions)	337	573	399	156	447	417	537	577	616
% Ch	-32.2%	69.8%	-30.3%	-61.0%	187.3%	-6.6%	28.8%	7.4%	6.7%
National (Billions)	29	37	31	19	36	33	22	26	30
% Ch	176.4%	27.8%	-17.5%	-37.2%	86.8%	-8.6%	-33.0%	19.1%	13.4%
<b>NONFARM PROPRIETORS INCOME</b>									
Idaho (Millions)	3,389	3,848	4,192	4,457	4,553	4,650	4,924	5,271	5,606
% Ch	3.0%	13.5%	9.0%	6.3%	2.2%	2.1%	5.9%	7.0%	6.4%
National (Billions)	782	874	939	987	1,006	1,036	1,091	1,162	1,230
% Ch	3.2%	11.8%	7.4%	5.1%	1.9%	2.9%	5.3%	6.5%	5.8%
<b>DIVIDENDS, RENT &amp; INTEREST</b>									
Idaho (Millions)	6,227	7,057	7,194	7,914	8,586	8,959	8,955	9,569	10,449
% Ch	2.9%	13.3%	1.9%	10.0%	8.5%	4.3%	0.0%	6.9%	9.2%
National (Billions)	1,470	1,551	1,661	1,851	2,013	2,096	2,099	2,239	2,445
% Ch	-1.1%	5.5%	7.1%	11.5%	8.7%	4.1%	0.1%	6.7%	9.2%
<b>OTHER LABOR INCOME</b>									
Idaho (Millions)	4,259	4,582	4,978	5,451	5,763	5,952	6,185	6,440	6,734
% Ch	5.4%	7.6%	8.6%	9.5%	5.7%	3.3%	3.9%	4.1%	4.6%
National (Billions)	816	869	928	971	1,017	1,065	1,109	1,157	1,210
% Ch	9.5%	6.5%	6.8%	4.6%	4.7%	4.8%	4.1%	4.4%	4.5%
<b>GOVT. TRANSFERS TO INDIV.</b>									
Idaho (Millions)	5,254	5,601	6,025	6,522	7,106	7,747	8,216	8,685	9,139
% Ch	5.7%	6.6%	7.6%	8.2%	9.0%	9.0%	6.1%	5.7%	5.2%
National (Billions)	1,351	1,423	1,521	1,612	1,732	1,880	1,991	2,097	2,193
% Ch	5.0%	5.3%	6.9%	6.0%	7.4%	8.6%	5.9%	5.3%	4.6%
<b>CONTRIB. FOR SOCIAL INSUR.</b>									
Idaho (Millions)	2,909	3,100	3,372	3,732	3,963	4,114	4,285	4,502	4,779
% Ch	3.8%	6.6%	8.8%	10.7%	6.2%	3.8%	4.2%	5.0%	6.2%
National (Billions)	382	408	429	452	476	496	512	535	564
% Ch	4.6%	6.9%	5.1%	5.3%	5.3%	4.4%	3.2%	4.5%	5.4%
<b>RESIDENCE ADJUSTMENT</b>									
Idaho (Millions)	570	614	634	676	741	767	765	775	794
% Ch	4.9%	7.7%	3.2%	6.7%	9.7%	3.5%	-0.2%	1.2%	2.5%

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**IDAHO ECONOMIC FORECAST**  
**ANNUAL DETAIL**  
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**EMPLOYMENT**

	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b>TOTAL NONFARM EMPLOYMENT</b>									
Idaho	460,209	477,044	490,901	507,424	520,479	538,102	558,583	568,035	568,048
% Ch	5.9%	3.7%	2.9%	3.4%	2.6%	3.4%	3.8%	1.7%	0.0%
National (Thousands)	114,282	117,307	119,698	122,767	125,923	128,992	131,794	131,830	130,340
% Ch	3.1%	2.6%	2.0%	2.6%	2.6%	2.4%	2.2%	0.0%	-1.1%
<b>GOODS PRODUCING SECTOR</b>									
Idaho	97,411	98,309	102,402	105,506	106,975	108,723	111,885	110,227	105,032
% Ch	7.8%	0.9%	4.2%	3.0%	1.4%	1.6%	2.9%	-1.5%	-4.7%
National (Thousands)	22,777	23,161	23,412	23,884	24,352	24,466	24,652	23,873	22,555
% Ch	2.5%	1.7%	1.1%	2.0%	2.0%	0.5%	0.8%	-3.2%	-5.5%
<b>MANUFACTURING</b>									
Idaho	65,718	65,639	68,313	70,186	71,529	71,213	73,032	70,393	66,805
% Ch	4.1%	-0.1%	4.1%	2.7%	1.9%	-0.4%	2.6%	-3.6%	-5.1%
National (Thousands)	17,106	17,326	17,317	17,500	17,640	17,403	17,344	16,514	15,327
% Ch	1.5%	1.3%	-0.1%	1.1%	0.8%	-1.3%	-0.3%	-4.8%	-7.2%
<b>DURABLE MANUFACTURING</b>									
Idaho	37,821	39,957	42,448	44,216	45,892	45,698	47,407	45,099	42,321
% Ch	8.7%	5.6%	6.2%	4.2%	3.8%	-0.4%	3.7%	-4.9%	-6.2%
National (Thousands)	10,215	10,457	10,566	10,786	10,991	10,913	10,957	10,409	9,554
% Ch	2.3%	2.4%	1.0%	2.1%	1.9%	-0.7%	0.4%	-5.0%	-8.2%
<b>LOGGING &amp; WOOD PRODUCTS</b>									
Idaho	11,774	11,865	12,024	11,898	11,464	11,480	11,567	9,849	9,553
% Ch	9.1%	0.8%	1.3%	-1.0%	-3.6%	0.1%	0.8%	-14.9%	-3.0%
National (Thousands)	643	656	663	677	689	701	692	647	625
% Ch	6.2%	2.0%	1.1%	2.1%	1.7%	1.8%	-1.3%	-6.5%	-3.3%
<b>METAL FABRICATION</b>									
Idaho	2,958	3,410	3,582	3,793	3,826	3,942	4,030	3,876	3,636
% Ch	14.8%	15.3%	5.0%	5.9%	0.9%	3.0%	2.2%	-3.8%	-6.2%
National (Thousands)	1,566	1,624	1,648	1,696	1,739	1,728	1,753	1,677	1,549
% Ch	3.7%	3.7%	1.5%	2.9%	2.6%	-0.6%	1.4%	-4.4%	-7.6%
<b>MACHINERY</b>									
Idaho	2,901	3,078	3,189	3,065	3,178	3,039	3,305	3,056	2,832
% Ch	11.0%	6.1%	3.6%	-3.9%	3.7%	-4.4%	8.7%	-7.5%	-7.3%
National (Thousands)	1,381	1,442	1,469	1,496	1,515	1,468	1,457	1,370	1,232
% Ch	3.8%	4.4%	1.8%	1.9%	1.2%	-3.0%	-0.8%	-5.9%	-10.1%
<b>COMPUTER &amp; ELECTRONICS</b>									
Idaho	13,646	14,324	16,280	17,727	19,055	18,406	19,455	19,656	17,934
% Ch	3.6%	5.0%	13.7%	8.9%	7.5%	-3.4%	5.7%	1.0%	-8.8%
National (Thousands)	1,651	1,689	1,747	1,803	1,831	1,781	1,820	1,749	1,507
% Ch	-0.3%	2.3%	3.4%	3.2%	1.5%	-2.7%	2.2%	-3.9%	-13.8%
<b>OTHER DURABLES</b>									
Idaho	6,542	7,280	7,373	7,732	8,370	8,831	9,050	8,663	8,366
% Ch	16.2%	11.3%	1.3%	4.9%	8.3%	5.5%	2.5%	-4.3%	-3.4%
National (Thousands)	4,974	5,046	5,040	5,114	5,217	5,234	5,235	4,966	4,641
% Ch	1.9%	1.4%	-0.1%	1.5%	2.0%	0.3%	0.0%	-5.1%	-6.5%

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**EMPLOYMENT**

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>TOTAL NONFARM EMPLOYMENT</b>									
Idaho	572,552	588,074	611,736	638,920	656,297	655,149	659,866	672,351	690,885
% Ch	0.8%	2.7%	4.0%	4.4%	2.7%	-0.2%	0.7%	1.9%	2.8%
National (Thousands)	129,996	131,419	133,695	136,092	137,618	137,726	137,662	139,538	142,067
% Ch	-0.3%	1.1%	1.7%	1.8%	1.1%	0.1%	0.0%	1.4%	1.8%
<b>GOODS PRODUCING SECTOR</b>									
Idaho	102,388	105,461	112,359	122,320	123,366	114,666	109,790	109,904	112,156
% Ch	-2.5%	3.0%	6.5%	8.9%	0.9%	-7.1%	-4.3%	0.1%	2.0%
National (Thousands)	21,816	21,878	22,187	22,534	22,221	21,489	20,841	20,627	21,012
% Ch	-3.3%	0.3%	1.4%	1.6%	-1.4%	-3.3%	-3.0%	-1.0%	1.9%
<b>MANUFACTURING</b>									
Idaho	63,863	63,683	65,044	67,851	68,065	65,727	62,871	63,681	66,455
% Ch	-4.4%	-0.3%	2.1%	4.3%	0.3%	-3.4%	-4.3%	1.3%	4.4%
National (Thousands)	14,578	14,383	14,292	14,222	13,943	13,599	13,283	12,988	13,098
% Ch	-4.9%	-1.3%	-0.6%	-0.5%	-2.0%	-2.5%	-2.3%	-2.2%	0.8%
<b>DURABLE MANUFACTURING</b>									
Idaho	39,950	40,550	42,114	44,614	44,201	41,289	38,552	39,355	41,945
% Ch	-5.6%	1.5%	3.9%	5.9%	-0.9%	-6.6%	-6.6%	2.1%	6.6%
National (Thousands)	9,033	8,993	9,021	9,048	8,876	8,627	8,399	8,221	8,361
% Ch	-5.5%	-0.4%	0.3%	0.3%	-1.9%	-2.8%	-2.6%	-2.1%	1.7%
<b>LOGGING &amp; WOOD PRODUCTS</b>									
Idaho	9,047	9,296	9,620	10,037	9,579	8,876	8,070	8,437	9,116
% Ch	-5.3%	2.7%	3.5%	4.3%	-4.6%	-7.3%	-9.1%	4.5%	8.1%
National (Thousands)	607	617	624	623	581	540	508	538	583
% Ch	-3.0%	1.7%	1.2%	-0.2%	-6.9%	-7.0%	-5.9%	5.9%	8.4%
<b>METAL FABRICATION</b>									
Idaho	3,537	3,636	3,905	4,377	4,659	4,705	4,532	4,656	4,880
% Ch	-2.7%	2.8%	7.4%	12.1%	6.4%	1.0%	-3.7%	2.7%	4.8%
National (Thousands)	1,479	1,497	1,522	1,553	1,563	1,550	1,510	1,400	1,414
% Ch	-4.5%	1.2%	1.7%	2.1%	0.6%	-0.8%	-2.6%	-7.3%	1.0%
<b>MACHINERY</b>									
Idaho	2,633	2,570	2,606	2,864	2,993	3,052	2,908	2,889	2,928
% Ch	-7.0%	-2.4%	1.4%	9.9%	4.5%	2.0%	-4.7%	-0.7%	1.3%
National (Thousands)	1,152	1,145	1,165	1,183	1,188	1,198	1,208	1,156	1,172
% Ch	-6.5%	-0.6%	1.7%	1.6%	0.4%	0.8%	0.8%	-4.3%	1.3%
<b>COMPUTER &amp; ELECTRONICS</b>									
Idaho	16,298	16,288	16,185	16,668	16,219	14,435	12,945	12,607	13,488
% Ch	-9.1%	-0.1%	-0.6%	3.0%	-2.7%	-11.0%	-10.3%	-2.6%	7.0%
National (Thousands)	1,355	1,323	1,316	1,308	1,272	1,239	1,183	1,210	1,155
% Ch	-10.1%	-2.4%	-0.5%	-0.6%	-2.7%	-2.6%	-4.5%	2.3%	-4.6%
<b>OTHER DURABLES</b>									
Idaho	8,436	8,761	9,797	10,668	10,751	10,221	10,096	10,766	11,533
% Ch	0.8%	3.9%	11.8%	8.9%	0.8%	-4.9%	-1.2%	6.6%	7.1%
National (Thousands)	4,440	4,411	4,393	4,380	4,272	4,100	3,990	3,917	4,037
% Ch	-4.3%	-0.7%	-0.4%	-0.3%	-2.5%	-4.0%	-2.7%	-1.8%	3.1%

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**EMPLOYMENT**

<b>MANUFACTURING (continued)</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<b>NONDURABLE MANUFACTURING</b>									
Idaho	27,897	25,682	25,865	25,970	25,636	25,515	25,625	25,294	24,484
% Ch	-1.6%	-7.9%	0.7%	0.4%	-1.3%	-0.5%	0.4%	-1.3%	-3.2%
National (Thousands)	6,891	6,869	6,751	6,714	6,649	6,491	6,387	6,105	5,773
% Ch	0.3%	-0.3%	-1.7%	-0.6%	-1.0%	-2.4%	-1.6%	-4.4%	-5.4%
<b>FOOD PROCESSING</b>									
Idaho	17,369	16,827	17,119	17,263	16,830	16,705	16,661	16,521	16,355
% Ch	-2.7%	-3.1%	1.7%	0.8%	-2.5%	-0.7%	-0.3%	-0.8%	-1.0%
National (Thousands)	1,540	1,561	1,562	1,557	1,555	1,550	1,553	1,550	1,525
% Ch	0.3%	1.3%	0.1%	-0.3%	-0.1%	-0.3%	0.2%	-0.2%	-1.6%
<b>PRINTING</b>									
Idaho	2,241	2,308	2,365	2,326	2,307	2,234	2,339	2,225	2,033
% Ch	0.4%	3.0%	2.5%	-1.6%	-0.8%	-3.2%	4.7%	-4.9%	-8.6%
National (Thousands)	802	817	816	821	828	814	807	769	707
% Ch	2.2%	1.9%	-0.2%	0.6%	0.8%	-1.6%	-0.9%	-4.7%	-8.1%
<b>CHEMICALS</b>									
Idaho	4,099	2,354	2,330	2,273	2,361	2,314	2,336	2,324	1,925
% Ch	-2.6%	-42.6%	-1.0%	-2.5%	3.9%	-2.0%	1.0%	-0.5%	-17.1%
National (Thousands)	1,005	988	985	987	993	983	980	959	927
% Ch	-2.0%	-1.7%	-0.3%	0.2%	0.6%	-1.0%	-0.2%	-2.2%	-3.3%
<b>OTHER NONDURABLES</b>									
Idaho	4,187	4,193	4,051	4,108	4,138	4,262	4,290	4,224	4,172
% Ch	3.4%	0.1%	-3.4%	1.4%	0.7%	3.0%	0.7%	-1.5%	-1.2%
National (Thousands)	3,544	3,504	3,388	3,348	3,273	3,143	3,046	2,827	2,614
% Ch	0.5%	-1.1%	-3.3%	-1.2%	-2.3%	-3.9%	-3.1%	-7.2%	-7.5%
<b>MINING</b>									
Idaho	2,367	2,683	2,977	2,996	2,817	2,485	2,347	1,973	1,758
% Ch	9.4%	13.3%	11.0%	0.6%	-6.0%	-11.8%	-5.5%	-15.9%	-10.9%
National (Thousands)	576	558	556	571	565	518	520	532	512
% Ch	-1.4%	-3.2%	-0.3%	2.7%	-1.1%	-8.4%	0.5%	2.4%	-3.8%
<b>CONSTRUCTION</b>									
Idaho	29,326	29,988	31,112	32,324	32,629	35,025	36,505	37,861	36,468
% Ch	17.0%	2.3%	3.7%	3.9%	0.9%	7.3%	4.2%	3.7%	-3.7%
National (Thousands)	5,094	5,276	5,538	5,813	6,147	6,545	6,788	6,827	6,715
% Ch	6.6%	3.6%	5.0%	5.0%	5.8%	6.5%	3.7%	0.6%	-1.6%
<b>NONGOODS PRODUCING</b>									
Idaho	362,798	378,735	388,499	401,918	413,504	429,379	446,698	457,809	463,016
% Ch	5.4%	4.4%	2.6%	3.5%	2.9%	3.8%	4.0%	2.5%	1.1%
National (Thousands)	91,505	94,146	96,286	98,883	101,571	104,526	107,141	107,957	107,786
% Ch	3.2%	2.9%	2.3%	2.7%	2.7%	2.9%	2.5%	0.8%	-0.2%
<b>SERVICES</b>									
Idaho	185,542	196,052	202,106	210,034	217,465	227,558	238,282	249,579	253,633
% Ch	6.9%	5.7%	3.1%	3.9%	3.5%	4.6%	4.7%	4.7%	1.6%
National (Thousands)	53,498	55,383	57,094	59,170	61,256	63,350	65,139	65,824	65,596
% Ch	3.8%	3.5%	3.1%	3.6%	3.5%	3.4%	2.8%	1.1%	-0.3%
<b>INFORMATION</b>									
Idaho	7,413	7,602	7,699	7,587	8,376	9,274	9,859	9,596	9,156
% Ch	3.0%	2.5%	1.3%	-1.5%	10.4%	10.7%	6.3%	-2.7%	-4.6%
National (Thousands)	2,739	2,843	2,940	3,084	3,219	3,418	3,630	3,629	3,394
% Ch	2.7%	3.8%	3.4%	4.9%	4.4%	6.2%	6.2%	0.0%	-6.5%
<b>FINANCIAL ACTIVITIES</b>									
Idaho	24,520	25,492	26,833	26,835	24,256	25,306	25,161	25,013	25,824
% Ch	5.4%	4.0%	5.3%	0.0%	-9.6%	4.3%	-0.6%	-0.6%	3.2%
National (Thousands)	6,866	6,828	6,969	7,178	7,462	7,646	7,688	7,809	7,848
% Ch	2.4%	-0.6%	2.1%	3.0%	4.0%	2.5%	0.5%	1.6%	0.5%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2008

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
JULY 2008**

**EMPLOYMENT**

<b>MANUFACTURING (continued)</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>NONDURABLE MANUFACTURING</b>									
Idaho	23,913	23,133	22,930	23,238	23,864	24,438	24,319	24,326	24,510
% Ch	-2.3%	-3.3%	-0.9%	1.3%	2.7%	2.4%	-0.5%	0.0%	0.8%
National (Thousands)	5,545	5,390	5,271	5,174	5,067	4,972	4,884	4,767	4,737
% Ch	-3.9%	-2.8%	-2.2%	-1.8%	-2.1%	-1.9%	-1.8%	-2.4%	-0.6%
<b>FOOD PROCESSING</b>									
Idaho	15,901	15,000	14,715	14,700	15,093	15,685	15,817	15,842	15,955
% Ch	-2.8%	-5.7%	-1.9%	-0.1%	2.7%	3.9%	0.8%	0.2%	0.7%
National (Thousands)	1,517	1,494	1,478	1,479	1,481	1,475	1,488	1,483	1,492
% Ch	-0.5%	-1.5%	-1.1%	0.1%	0.1%	-0.4%	0.9%	-0.3%	0.6%
<b>PRINTING</b>									
Idaho	2,030	1,921	1,900	1,908	1,892	1,848	1,805	1,753	1,700
% Ch	-0.1%	-5.3%	-1.1%	0.4%	-0.8%	-2.3%	-2.4%	-2.9%	-3.0%
National (Thousands)	680	662	646	635	624	612	596	574	561
% Ch	-3.8%	-2.6%	-2.4%	-1.8%	-1.6%	-2.1%	-2.6%	-3.6%	-2.2%
<b>CHEMICALS</b>									
Idaho	1,831	1,878	1,938	2,117	2,266	2,341	2,282	2,245	2,207
% Ch	-4.9%	2.6%	3.2%	9.2%	7.1%	3.3%	-2.5%	-1.6%	-1.7%
National (Thousands)	906	887	872	866	863	859	843	820	821
% Ch	-2.3%	-2.1%	-1.7%	-0.7%	-0.4%	-0.4%	-1.9%	-2.7%	0.1%
<b>OTHER NONDURABLES</b>									
Idaho	4,151	4,333	4,378	4,514	4,612	4,564	4,415	4,487	4,648
% Ch	-0.5%	4.4%	1.0%	3.1%	2.2%	-1.0%	-3.3%	1.6%	3.6%
National (Thousands)	2,442	2,347	2,275	2,195	2,099	2,027	1,958	1,890	1,862
% Ch	-6.6%	-3.9%	-3.1%	-3.5%	-4.3%	-3.5%	-3.4%	-3.5%	-1.5%
<b>MINING</b>									
Idaho	1,785	1,932	2,161	2,375	2,668	2,885	2,715	2,654	2,673
% Ch	1.5%	8.2%	11.9%	9.9%	12.4%	8.1%	-5.9%	-2.3%	0.7%
National (Thousands)	503	523	562	620	662	708	760	714	671
% Ch	-1.9%	4.0%	7.5%	10.3%	6.8%	6.9%	7.4%	-6.1%	-6.1%
<b>CONSTRUCTION</b>									
Idaho	36,740	39,846	45,154	52,094	52,634	46,054	44,204	43,569	43,028
% Ch	0.7%	8.5%	13.3%	15.4%	1.0%	-12.5%	-4.0%	-1.4%	-1.2%
National (Thousands)	6,736	6,973	7,333	7,693	7,616	7,182	6,798	6,925	7,243
% Ch	0.3%	3.5%	5.2%	4.9%	-1.0%	-5.7%	-5.3%	1.9%	4.6%
<b>NONGOODS PRODUCING</b>									
Idaho	470,164	482,613	499,377	516,601	532,931	540,483	550,076	562,448	578,729
% Ch	1.5%	2.6%	3.5%	3.4%	3.2%	1.4%	1.8%	2.2%	2.9%
National (Thousands)	108,180	109,540	111,508	113,558	115,397	116,237	116,821	118,911	121,055
% Ch	0.4%	1.3%	1.8%	1.8%	1.6%	0.7%	0.5%	1.8%	1.8%
<b>SERVICES</b>									
Idaho	260,022	269,022	280,752	292,732	304,483	309,055	315,319	324,513	335,017
% Ch	2.5%	3.5%	4.4%	4.3%	4.0%	1.5%	2.0%	2.9%	3.2%
National (Thousands)	66,074	67,199	68,658	70,327	71,682	72,471	73,085	74,704	76,656
% Ch	0.7%	1.7%	2.2%	2.4%	1.9%	1.1%	0.8%	2.2%	2.6%
<b>INFORMATION</b>									
Idaho	9,181	9,934	11,070	10,589	10,909	11,384	11,468	11,709	11,968
% Ch	0.3%	8.2%	11.4%	-4.3%	3.0%	4.3%	0.7%	2.1%	2.2%
National (Thousands)	3,189	3,117	3,061	3,037	3,029	3,004	2,941	2,870	2,867
% Ch	-6.1%	-2.3%	-1.8%	-0.8%	-0.3%	-0.8%	-2.1%	-2.4%	-0.1%
<b>FINANCIAL ACTIVITIES</b>									
Idaho	26,945	27,939	29,655	31,746	32,531	32,486	33,012	33,568	34,192
% Ch	4.3%	3.7%	6.1%	7.1%	2.5%	-0.1%	1.6%	1.7%	1.9%
National (Thousands)	7,976	8,030	8,153	8,329	8,310	8,199	8,211	8,379	8,615
% Ch	1.6%	0.7%	1.5%	2.2%	-0.2%	-1.3%	0.1%	2.0%	2.8%

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**EMPLOYMENT**

<b>SERVICES (Continued)</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<b>TRANS., WAREHOUSING, UTILITIES</b>									
Idaho	15,465	16,508	17,329	17,624	18,159	19,004	19,409	19,157	18,676
% Ch	6.2%	6.7%	5.0%	1.7%	3.0%	4.7%	2.1%	-1.3%	-2.5%
National (Thousands)	4,390	4,505	4,576	4,647	4,781	4,906	5,013	4,973	4,820
% Ch	2.9%	2.6%	1.6%	1.5%	2.9%	2.6%	2.2%	-0.8%	-3.1%
<b>PROFESSIONAL &amp; BUSINESS</b>									
Idaho	39,173	42,480	42,934	47,295	50,766	54,794	60,626	67,656	69,019
% Ch	6.2%	8.4%	1.1%	10.2%	7.3%	7.9%	10.6%	11.6%	2.0%
National (Thousands)	12,171	12,847	13,461	14,333	15,142	15,955	16,672	16,480	15,975
% Ch	5.9%	5.6%	4.8%	6.5%	5.6%	5.4%	4.5%	-1.1%	-3.1%
<b>EDUCATION &amp; HEALTH</b>									
Idaho	39,048	41,491	44,361	46,347	49,248	50,574	53,018	56,956	59,810
% Ch	6.0%	6.3%	6.9%	4.5%	6.3%	2.7%	4.8%	7.4%	5.0%
National (Thousands)	12,806	13,288	13,683	14,088	14,445	14,795	15,109	15,643	16,201
% Ch	4.1%	3.8%	3.0%	3.0%	2.5%	2.4%	2.1%	3.5%	3.6%
<b>LEISURE &amp; HOSPITALITY</b>									
Idaho	44,568	46,651	47,558	48,840	50,426	51,461	52,566	53,058	53,281
% Ch	7.7%	4.7%	1.9%	2.7%	3.2%	2.1%	2.1%	0.9%	0.4%
National (Thousands)	10,098	10,499	10,774	11,016	11,232	11,544	11,860	12,032	11,986
% Ch	3.7%	4.0%	2.6%	2.3%	2.0%	2.8%	2.7%	1.5%	-0.4%
<b>OTHER SERVICES</b>									
Idaho	15,356	15,829	15,393	15,506	16,235	17,144	17,643	18,143	17,867
% Ch	14.4%	3.1%	-2.8%	0.7%	4.7%	5.6%	2.9%	2.8%	-1.5%
National (Thousands)	4,429	4,572	4,691	4,825	4,976	5,087	5,168	5,258	5,372
% Ch	1.8%	3.2%	2.6%	2.9%	3.1%	2.2%	1.6%	1.7%	2.2%
<b>TRADE</b>									
Idaho	83,336	86,215	89,134	91,683	93,773	96,725	100,169	98,088	97,344
% Ch	5.7%	3.5%	3.4%	2.9%	2.3%	3.1%	3.6%	-2.1%	-0.8%
National (Thousands)	18,733	19,328	19,663	20,053	20,405	20,863	21,212	21,013	20,680
% Ch	3.4%	3.2%	1.7%	2.0%	1.8%	2.2%	1.7%	-0.9%	-1.6%
<b>RETAIL TRADE</b>									
Idaho	61,034	63,162	65,408	67,175	69,160	71,419	74,457	72,622	72,397
% Ch	5.7%	3.5%	3.6%	2.7%	3.0%	3.3%	4.3%	-2.5%	-0.3%
National (Thousands)	13,486	13,895	14,141	14,390	14,610	14,971	15,279	15,240	15,027
% Ch	3.6%	3.0%	1.8%	1.8%	1.5%	2.5%	2.1%	-0.3%	-1.4%
<b>WHOLESALE TRADE</b>									
Idaho	22,303	23,053	23,726	24,508	24,612	25,306	25,713	25,466	24,947
% Ch	5.5%	3.4%	2.9%	3.3%	0.4%	2.8%	1.6%	-1.0%	-2.0%
National (Thousands)	5,247	5,433	5,523	5,663	5,795	5,893	5,933	5,773	5,653
% Ch	3.0%	3.5%	1.6%	2.6%	2.3%	1.7%	0.7%	-2.7%	-2.1%
<b>STATE &amp; LOCAL GOVERNMENT</b>									
Idaho	80,426	83,354	84,359	87,297	89,467	92,262	94,745	96,861	98,488
% Ch	2.9%	3.6%	1.2%	3.5%	2.5%	3.1%	2.7%	2.2%	1.7%
National (Thousands)	15,674	15,931	16,258	16,488	16,653	16,854	17,139	17,542	17,925
% Ch	1.5%	1.6%	2.1%	1.4%	1.0%	1.2%	1.7%	2.4%	2.2%
<b>EDUCATION</b>									
Idaho	40,542	42,571	42,572	44,219	45,412	46,749	47,989	49,023	49,655
% Ch	1.8%	5.0%	0.0%	3.9%	2.7%	2.9%	2.7%	2.2%	1.3%
<b>NONEDUCATION</b>									
Idaho	39,884	40,783	41,787	43,079	44,055	45,513	46,756	47,839	48,833
% Ch	4.0%	2.3%	2.5%	3.1%	2.3%	3.3%	2.7%	2.3%	2.1%
<b>FEDERAL GOVERNMENT</b>									
Idaho	13,493	13,113	12,899	12,904	12,800	12,834	13,502	13,280	13,551
% Ch	-0.6%	-2.8%	-1.6%	0.0%	-0.8%	0.3%	5.2%	-1.6%	2.0%
National (Thousands)	3,016	2,947	2,876	2,806	2,771	2,770	2,865	2,763	2,766
% Ch	-1.5%	-2.3%	-2.4%	-2.5%	-1.2%	0.0%	3.4%	-3.6%	0.1%

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**EMPLOYMENT**

<b>SERVICES (Continued)</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>TRANS., WAREHOUSING, UTILITIES</b>									
Idaho	18,764	18,947	19,295	20,243	21,034	21,114	21,197	21,180	21,402
% Ch	0.5%	1.0%	1.8%	4.9%	3.9%	0.4%	0.4%	-0.1%	1.0%
National (Thousands)	4,761	4,811	4,916	5,019	5,090	5,081	5,036	5,190	5,361
% Ch	-1.2%	1.1%	2.2%	2.1%	1.4%	-0.2%	-0.9%	3.1%	3.3%
<b>PROFESSIONAL &amp; BUSINESS</b>									
Idaho	70,007	73,146	76,912	81,365	83,213	81,672	84,326	87,766	91,418
% Ch	1.4%	4.5%	5.1%	5.8%	2.3%	-1.9%	3.3%	4.1%	4.2%
National (Thousands)	15,985	16,387	16,949	17,572	17,966	18,048	18,164	19,268	20,350
% Ch	0.1%	2.5%	3.4%	3.7%	2.2%	0.5%	0.6%	6.1%	5.6%
<b>EDUCATION &amp; HEALTH</b>									
Idaho	62,551	65,216	67,987	70,106	74,055	77,370	78,250	80,650	83,404
% Ch	4.6%	4.3%	4.2%	3.1%	5.6%	4.5%	1.1%	3.1%	3.4%
National (Thousands)	16,588	16,951	17,372	17,825	18,327	18,863	19,462	19,758	19,969
% Ch	2.4%	2.2%	2.5%	2.6%	2.8%	2.9%	3.2%	1.5%	1.1%
<b>LEISURE &amp; HOSPITALITY</b>									
Idaho	54,406	55,570	57,357	59,667	63,277	64,078	65,603	67,464	69,545
% Ch	2.1%	2.1%	3.2%	4.0%	6.1%	1.3%	2.4%	2.8%	3.1%
National (Thousands)	12,175	12,494	12,813	13,107	13,470	13,732	13,731	13,769	14,024
% Ch	1.6%	2.6%	2.6%	2.3%	2.8%	1.9%	0.0%	0.3%	1.9%
<b>OTHER SERVICES</b>									
Idaho	18,167	18,270	18,476	19,015	19,463	20,950	21,463	22,176	23,089
% Ch	1.7%	0.6%	1.1%	2.9%	2.4%	7.6%	2.4%	3.3%	4.1%
National (Thousands)	5,401	5,409	5,395	5,438	5,491	5,543	5,540	5,469	5,470
% Ch	0.5%	0.2%	-0.3%	0.8%	1.0%	1.0%	-0.1%	-1.3%	0.0%
<b>TRADE</b>									
Idaho	97,122	99,134	103,680	107,471	111,656	112,931	116,294	119,784	124,467
% Ch	-0.2%	2.1%	4.6%	3.7%	3.9%	1.1%	3.0%	3.0%	3.9%
National (Thousands)	20,526	20,721	21,044	21,259	21,515	21,339	21,141	21,499	21,582
% Ch	-0.7%	1.0%	1.6%	1.0%	1.2%	-0.8%	-0.9%	1.7%	0.4%
<b>RETAIL TRADE</b>									
Idaho	72,625	73,726	76,802	80,515	83,553	84,393	86,793	89,388	92,896
% Ch	0.3%	1.5%	4.2%	4.8%	3.8%	1.0%	2.8%	3.0%	3.9%
National (Thousands)	14,918	15,059	15,281	15,356	15,487	15,329	15,253	15,497	15,479
% Ch	-0.7%	0.9%	1.5%	0.5%	0.9%	-1.0%	-0.5%	1.6%	-0.1%
<b>WHOLESALE TRADE</b>									
Idaho	24,497	25,408	26,878	26,955	28,103	28,538	29,501	30,396	31,571
% Ch	-1.8%	3.7%	5.8%	0.3%	4.3%	1.5%	3.4%	3.0%	3.9%
National (Thousands)	5,608	5,662	5,762	5,904	6,028	6,010	5,888	6,003	6,103
% Ch	-0.8%	1.0%	1.8%	2.5%	2.1%	-0.3%	-2.0%	2.0%	1.7%
<b>STATE &amp; LOCAL GOVERNMENT</b>									
Idaho	99,396	101,145	101,864	103,524	103,976	105,305	105,261	104,642	105,864
% Ch	0.9%	1.8%	0.7%	1.6%	0.4%	1.3%	0.0%	-0.6%	1.2%
National (Thousands)	18,820	18,889	19,074	19,239	19,474	19,699	19,864	19,931	20,102
% Ch	0.4%	0.4%	1.0%	0.9%	1.2%	1.2%	0.8%	0.3%	0.9%
<b>EDUCATION</b>									
Idaho	49,906	50,808	51,297	52,641	53,015	53,170	53,378	53,448	54,437
% Ch	0.5%	1.8%	1.0%	2.6%	0.7%	0.3%	0.4%	0.1%	1.9%
<b>NONEDUCATION</b>									
Idaho	49,490	50,337	50,567	50,883	50,961	52,136	51,883	51,195	51,427
% Ch	1.3%	1.7%	0.5%	0.6%	0.2%	2.3%	-0.5%	-1.3%	0.5%
<b>FEDERAL GOVERNMENT</b>									
Idaho	13,624	13,313	13,080	12,875	12,815	13,192	13,202	13,509	13,380
% Ch	0.5%	-2.3%	-1.8%	-1.6%	-0.5%	2.9%	0.1%	2.3%	-0.9%
National (Thousands)	2,760	2,731	2,732	2,732	2,727	2,728	2,731	2,778	2,715
% Ch	-0.2%	-1.1%	0.0%	0.0%	-0.2%	0.0%	0.1%	1.7%	-2.3%

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**MISCELLANEOUS**

	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>									
<b>Gross Domestic Product</b>	90.265	92.115	93.859	95.415	96.475	97.868	100.000	102.402	104.193
% Ch	2.1%	2.0%	1.9%	1.7%	1.1%	1.4%	2.2%	2.4%	1.7%
<b>Consumption Expenditures</b>	89.654	91.577	93.547	95.124	95.978	97.575	100.000	102.094	103.542
% Ch	2.1%	2.1%	2.2%	1.7%	0.9%	1.7%	2.5%	2.1%	1.4%
<b>Durable Goods</b>	109.978	110.672	109.507	107.068	104.152	101.626	100.000	98.114	95.766
% Ch	2.0%	0.6%	-1.1%	-2.2%	-2.7%	-2.4%	-1.6%	-1.9%	-2.4%
<b>Nondurable Goods</b>	89.605	90.629	92.567	93.835	93.821	96.173	100.000	101.531	102.089
% Ch	0.7%	1.1%	2.1%	1.4%	0.0%	2.5%	4.0%	1.5%	0.5%
<b>Services</b>	85.748	88.320	90.844	93.305	95.319	97.393	100.000	103.257	106.018
% Ch	2.9%	3.0%	2.9%	2.7%	2.2%	2.2%	2.7%	3.3%	2.7%
<b>Consumer Price Index (1982-84=1.000)</b>	1.482	1.524	1.569	1.605	1.630	1.666	1.722	1.770	1.799
% Ch	2.6%	2.8%	2.9%	2.3%	1.5%	2.2%	3.4%	2.8%	1.6%

**SELECTED INTEREST RATES**

<b>Federal Funds</b>	4.2%	5.8%	5.3%	5.5%	5.4%	5.0%	6.2%	3.9%	1.7%
<b>NY Fed Discount</b>	3.6%	5.2%	5.0%	5.0%	4.9%	4.6%	5.7%	3.4%	1.2%
<b>Prime</b>	7.1%	8.8%	8.3%	8.4%	8.4%	8.0%	9.2%	6.9%	4.7%
<b>Existing Home Mortgage</b>	7.5%	7.8%	7.7%	7.7%	7.1%	7.3%	8.0%	7.0%	6.5%
<b>U.S. Govt. 3-Month Bills</b>	4.2%	5.5%	5.0%	5.1%	4.8%	4.6%	5.8%	3.4%	1.6%
<b>U.S. Govt. 6-Month Bills</b>	4.6%	5.6%	5.1%	5.2%	4.8%	4.7%	5.9%	3.4%	1.7%
<b>U.S. Govt. 5-Year Notes</b>	6.7%	6.4%	6.2%	6.2%	5.2%	5.5%	6.2%	4.6%	3.8%
<b>U.S. Govt. 10-Year Notes</b>	7.1%	6.6%	6.4%	6.4%	5.3%	5.6%	6.0%	5.0%	4.6%

**SELECTED US PRODUCTION INDICES**

<b>Wood Products</b>	88.8	91.0	93.9	96.7	101.0	105.3	103.7	97.1	100.0
% Ch	5.9%	2.4%	3.3%	3.0%	4.5%	4.2%	-1.5%	-6.4%	3.0%
<b>Computers &amp; Electronic Products</b>	20.7	26.7	34.5	46.1	59.2	77.2	101.3	103.6	100.0
% Ch	17.3%	28.8%	29.3%	33.7%	28.4%	30.4%	31.2%	2.2%	-3.5%
<b>Food</b>	88.2	90.4	88.6	91.0	95.0	96.0	97.7	97.7	100.0
% Ch	0.6%	2.6%	-2.1%	2.8%	4.4%	1.0%	1.7%	0.0%	2.4%
<b>Agricultural Chemicals</b>	114.7	114.3	116.6	120.9	123.5	111.3	105.1	96.7	100.0
% Ch	-0.2%	-0.4%	2.0%	3.8%	2.1%	-9.9%	-5.6%	-8.0%	3.4%
<b>Metal Ore Mining</b>	122.5	123.8	126.4	133.3	132.5	121.2	120.5	109.2	100.0
% Ch	1.9%	1.1%	2.1%	5.5%	-0.6%	-8.6%	-0.6%	-9.4%	-8.4%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2008



**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
JULY 2008**

**MISCELLANEOUS**

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>									
<b>Gross Domestic Product</b>	106.410	109.462	113.005	116.568	119.669	122.168	124.760	127.724	130.278
% Ch	2.1%	2.9%	3.2%	3.2%	2.7%	2.1%	2.1%	2.4%	2.0%
<b>Consumption Expenditures</b>	105.597	108.392	111.588	114.675	117.592	122.474	126.319	127.662	129.484
% Ch	2.0%	2.6%	2.9%	2.8%	2.5%	4.2%	3.1%	1.1%	1.4%
<b>Durable Goods</b>	92.366	90.696	90.018	88.857	87.276	86.286	86.083	85.761	85.207
% Ch	-3.6%	-1.8%	-0.7%	-1.3%	-1.8%	-1.1%	-0.2%	-0.4%	-0.6%
<b>Nondurable Goods</b>	104.145	107.626	111.561	114.989	118.399	127.636	133.013	131.545	132.387
% Ch	2.0%	3.3%	3.7%	3.1%	3.0%	7.8%	4.2%	-1.1%	0.6%
<b>Services</b>	109.379	112.929	116.726	120.725	124.556	128.734	132.801	135.961	138.882
% Ch	3.2%	3.2%	3.4%	3.4%	3.2%	3.4%	3.2%	2.4%	2.1%
<b>Consumer Price Index (1982-84=100)</b>	1.840	1.889	1.953	2.016	2.073	2.183	2.256	2.267	2.297
% Ch	2.3%	2.7%	3.4%	3.2%	2.9%	5.3%	3.3%	0.5%	1.3%

**SELECTED INTEREST RATES**

<b>Federal Funds</b>	1.1%	1.3%	3.2%	5.0%	5.0%	2.3%	2.4%	4.3%	4.8%
<b>NY Fed Discount</b>	2.1%	2.3%	4.2%	5.9%	5.9%	2.6%	3.1%	5.3%	5.8%
<b>Prime</b>	4.1%	4.3%	6.2%	8.0%	8.1%	5.3%	5.4%	7.3%	7.8%
<b>Existing Home Mortgage</b>	5.7%	5.7%	5.9%	6.6%	6.5%	6.1%	5.9%	6.9%	7.2%
<b>U.S. Govt. 3-Month Bills</b>	1.0%	1.4%	3.1%	4.7%	4.4%	1.9%	2.4%	4.2%	4.6%
<b>U.S. Govt. 6-Month Bills</b>	1.1%	1.6%	3.4%	4.8%	4.5%	2.0%	2.5%	4.3%	4.7%
<b>U.S. Govt. 5-Year Notes</b>	3.0%	3.4%	4.0%	4.7%	4.4%	3.0%	3.3%	4.8%	5.2%
<b>U.S. Govt. 10-Year Notes</b>	4.0%	4.3%	4.3%	4.8%	4.6%	3.8%	3.9%	5.2%	5.4%

**SELECTED US PRODUCTION INDICES**

<b>Wood Products</b>	100.7	104.4	110.4	110.0	99.2	85.0	80.7	91.0	98.4
% Ch	0.7%	3.6%	5.8%	-0.4%	-9.8%	-14.3%	-5.0%	12.7%	8.2%
<b>Computers &amp; Electronic Products</b>	113.8	129.0	143.5	164.6	183.4	213.5	239.1	277.4	312.4
% Ch	13.8%	13.4%	11.2%	14.7%	11.4%	16.5%	12.0%	16.0%	12.6%
<b>Food</b>	101.0	101.1	104.2	105.4	110.1	113.1	114.6	116.7	119.1
% Ch	1.0%	0.1%	3.0%	1.1%	4.5%	2.8%	1.3%	1.9%	2.0%
<b>Agricultural Chemicals</b>	104.8	109.9	114.4	121.7	112.7	111.0	114.4	117.4	120.9
% Ch	4.8%	4.9%	4.1%	6.4%	-7.4%	-1.5%	3.1%	2.6%	3.0%
<b>Metal Ore Mining</b>	95.4	98.2	106.1	109.9	109.1	110.2	112.3	116.8	119.1
% Ch	-4.6%	2.9%	8.1%	3.6%	-0.7%	1.0%	1.9%	4.0%	2.0%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2008

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2008**

**DEMOGRAPHICS**

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>POPULATION</b>												
Idaho (Thousands)	1,411.2	1,422.5	1,434.2	1,444.0	1,452.7	1,461.7	1,470.0	1,478.5	1,487.3	1,497.2	1,506.7	1,516.1
% Ch	3.0%	3.2%	3.3%	2.8%	2.4%	2.5%	2.3%	2.3%	2.4%	2.7%	2.6%	2.5%
National (Millions)	296.209	296.940	297.740	298.458	299.079	299.801	300.476	301.151	301.824	302.497	303.169	303.840
% Ch	0.9%	1.0%	1.1%	1.0%	0.8%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
<b>BIRTHS</b>												
Idaho (Thousands)	22.520	22.939	23.277	23.539	23.789	24.026	24.327	24.456	24.881	25.161	25.427	25.687
% Ch	-5.0%	7.7%	6.0%	4.6%	4.3%	4.0%	5.1%	2.1%	7.1%	4.6%	4.3%	4.2%
National (Thousands)	4,188	4,199	4,210	4,221	4,228	4,239	4,249	4,260	4,272	4,283	4,294	4,305
% Ch	1.1%	1.0%	1.1%	1.0%	0.7%	1.0%	1.0%	1.0%	1.1%	1.0%	1.0%	1.0%
<b>DEATHS</b>												
Idaho (Thousands)	10.060	10.290	10.570	10.730	10.386	10.444	10.499	10.555	10.958	11.022	11.084	11.145
% Ch	13.6%	9.5%	11.3%	6.2%	-12.2%	2.3%	2.1%	2.2%	16.2%	2.4%	2.3%	2.2%
National (Thousands)	2,449	2,450	2,454	2,459	2,470	2,476	2,482	2,488	2,493	2,498	2,504	2,510
% Ch	-0.9%	0.2%	0.6%	0.8%	1.8%	1.1%	1.0%	0.9%	0.7%	0.9%	1.0%	1.0%
<b>NET MIGRATION</b>												
Idaho (Thousands)	17.546	22.265	27.152	30.313	28.086	25.628	22.005	20.658	20.655	21.343	22.349	23.032
<b>HOUSING</b>												
<b>HOUSING STARTS</b>												
Idaho	22,896	22,355	24,479	23,674	22,763	21,011	18,331	15,596	16,674	15,394	13,703	11,186
% Ch	28.8%	-9.1%	43.8%	-12.5%	-14.5%	-27.4%	-42.1%	-47.6%	30.6%	-27.4%	-37.2%	-55.6%
National (Millions)	2.072	2.051	2.100	2.069	2.120	1.855	1.702	1.570	1.453	1.460	1.298	1.151
% Ch	23.5%	-3.9%	9.8%	-5.8%	10.4%	-41.4%	-29.1%	-27.7%	-26.6%	1.9%	-37.6%	-38.0%
<b>SINGLE UNITS</b>												
Idaho	20,516	19,856	21,607	21,585	20,702	18,971	16,503	13,501	13,653	13,051	11,622	9,345
% Ch	33.9%	-12.3%	40.2%	-0.4%	-15.4%	-29.5%	-42.7%	-55.2%	4.6%	-16.5%	-37.1%	-58.2%
National (Millions)	1.705	1.697	1.747	1.725	1.743	1.511	1.391	1.250	1.163	1.160	0.986	0.826
% Ch	25.5%	-1.8%	12.3%	-4.9%	4.1%	-43.5%	-28.2%	-34.7%	-25.1%	-1.1%	-47.7%	-50.7%
<b>MULTIPLE UNITS</b>												
Idaho	2,381	2,499	2,872	2,089	2,060	2,040	1,828	2,095	3,021	2,343	2,081	1,842
% Ch	-6.7%	21.3%	74.6%	-72.0%	-5.4%	-3.9%	-35.5%	72.5%	332.1%	-63.8%	-37.7%	-38.7%
National (Millions)	0.367	0.354	0.353	0.343	0.378	0.344	0.312	0.320	0.290	0.300	0.311	0.325
% Ch	14.7%	-13.1%	-1.5%	-10.5%	46.4%	-30.9%	-32.9%	10.7%	-32.3%	15.0%	15.5%	18.7%
<b>HOUSING STOCK</b>												
Idaho (Thousands)	486.1	491.3	497.1	502.6	507.9	512.8	517.0	520.5	524.3	527.7	530.8	533.2
% Ch	4.5%	4.4%	4.8%	4.5%	4.3%	3.9%	3.3%	2.7%	2.9%	2.7%	2.3%	1.8%

**National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2008**

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2008**

**DEMOGRAPHICS**

	Q1	2008 Q2	Q3	Q4	Q1	2009 Q2	Q3	Q4	Q1	2010 Q2	Q3	Q4
<b>POPULATION</b>												
Idaho (Thousands)	1,523.3	1,528.9	1,535.2	1,541.3	1,547.2	1,553.6	1,559.8	1,565.8	1,572.3	1,579.0	1,586.1	1,593.7
% Ch	1.9%	1.5%	1.7%	1.6%	1.5%	1.7%	1.6%	1.6%	1.7%	1.7%	1.8%	1.9%
National (Millions)	304.511	305.182	305.851	306.520	307.189	307.856	308.523	309.189	309.854	310.519	311.185	311.851
% Ch	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
<b>BIRTHS</b>												
Idaho (Thousands)	25.859	25.962	26.095	26.220	26.338	26.476	26.604	26.726	26.864	27.016	27.183	27.367
% Ch	2.7%	1.6%	2.1%	1.9%	1.8%	2.1%	2.0%	1.8%	2.1%	2.3%	2.5%	2.7%
National (Thousands)	4,316	4,327	4,338	4,349	4,360	4,371	4,382	4,393	4,405	4,416	4,426	4,435
% Ch	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.1%	1.0%	0.9%	0.8%
<b>DEATHS</b>												
Idaho (Thousands)	11.195	11.236	11.280	11.323	11.366	11.411	11.455	11.498	11.543	11.590	11.639	11.690
% Ch	1.8%	1.5%	1.6%	1.5%	1.5%	1.6%	1.5%	1.5%	1.6%	1.6%	1.7%	1.8%
National (Thousands)	2,517	2,523	2,530	2,536	2,542	2,549	2,555	2,561	2,568	2,574	2,580	2,586
% Ch	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.1%	1.0%	0.9%	0.9%
<b>NET MIGRATION</b>												
Idaho (Thousands)	21.400	17.019	13.681	10.306	8.909	9.647	9.453	9.284	9.706	9.959	10.780	12.175
<b>HOUSING</b>												
<b>HOUSING STARTS</b>												
Idaho	8,987	11,240	10,885	11,748	12,682	12,858	13,023	12,798	12,771	12,687	12,676	13,153
% Ch	-58.3%	144.7%	-12.1%	35.7%	35.8%	5.7%	5.2%	-6.7%	-0.8%	-2.6%	-0.3%	15.9%
National (Millions)	1.053	0.975	0.885	0.818	0.822	0.960	1.071	1.182	1.274	1.387	1.490	1.587
% Ch	-30.0%	-26.6%	-32.1%	-26.9%	2.0%	85.7%	55.3%	47.9%	35.0%	40.5%	33.2%	28.9%
<b>SINGLE UNITS</b>												
Idaho	7,748	9,694	9,306	10,093	10,836	10,771	10,819	10,582	10,485	10,394	10,366	10,680
% Ch	-52.7%	145.0%	-15.1%	38.4%	32.9%	-2.4%	1.8%	-8.5%	-3.6%	-3.4%	-1.1%	12.7%
National (Millions)	0.728	0.668	0.605	0.558	0.569	0.688	0.811	0.917	0.995	1.098	1.195	1.288
% Ch	-39.9%	-29.1%	-32.7%	-27.4%	7.9%	114.2%	92.3%	63.5%	39.1%	48.3%	40.1%	35.2%
<b>MULTIPLE UNITS</b>												
Idaho	1,239	1,546	1,579	1,655	1,845	2,086	2,204	2,216	2,286	2,293	2,310	2,473
% Ch	-79.5%	142.9%	8.6%	20.7%	54.6%	63.4%	24.4%	2.2%	13.4%	1.2%	3.0%	31.3%
National (Millions)	0.325	0.307	0.280	0.260	0.253	0.271	0.261	0.265	0.278	0.288	0.295	0.299
% Ch	0.4%	-20.7%	-30.8%	-25.9%	-9.8%	32.0%	-14.7%	6.6%	21.7%	15.4%	9.3%	5.5%
<b>HOUSING STOCK</b>												
Idaho (Thousands)	535.0	537.4	539.7	542.3	545.0	547.8	550.7	553.5	556.3	559.0	561.8	564.6
% Ch	1.4%	1.8%	1.7%	1.9%	2.1%	2.1%	2.1%	2.0%	2.0%	2.0%	2.0%	2.1%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2008

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2008**

**OUTPUT, INCOME, & WAGES**

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>U.S. GROSS DOM. PRODUCT (Billions)</b>												
Current Dollars	12,154	12,317	12,559	12,706	12,965	13,155	13,267	13,392	13,552	13,769	13,971	14,074
% Ch	7.1%	5.5%	8.1%	4.8%	8.4%	6.0%	3.4%	3.8%	4.9%	6.6%	6.0%	3.0%
2000 Chain-Weighted	10,878	10,954	11,074	11,107	11,239	11,307	11,337	11,396	11,413	11,520	11,659	11,676
% Ch	3.1%	2.8%	4.5%	1.2%	4.8%	2.4%	1.1%	2.1%	0.6%	3.8%	4.9%	0.6%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	39,206	39,998	40,792	41,422	42,522	43,662	43,947	45,067	45,940	46,536	47,270	48,085
% Ch	-1.6%	8.3%	8.2%	6.3%	11.1%	11.2%	2.6%	10.6%	8.0%	5.3%	6.5%	7.1%
Idaho Nonfarm (Millions)	38,292	39,067	39,945	40,624	41,882	43,052	43,257	44,409	45,142	45,687	46,224	46,958
% Ch	-0.9%	8.3%	9.3%	7.0%	13.0%	11.7%	1.9%	11.1%	6.8%	4.9%	4.8%	6.5%
National (Billions)	10,074	10,234	10,329	10,567	10,787	10,916	11,031	11,200	11,469	11,577	11,735	11,881
% Ch	2.0%	6.5%	3.7%	9.6%	8.6%	4.8%	4.3%	6.3%	10.0%	3.8%	5.6%	5.1%
<b>PERSONAL INCOME - 2000 \$</b>												
Idaho (Millions)	35,603	36,022	36,355	36,660	37,471	38,076	38,080	39,140	39,559	39,657	40,102	40,401
% Ch	-3.7%	4.8%	3.7%	3.4%	9.1%	6.6%	0.0%	11.6%	4.4%	1.0%	4.6%	3.0%
Idaho Nonfarm (Millions)	34,773	35,184	35,600	35,954	36,907	37,544	37,482	38,569	38,872	38,934	39,215	39,454
% Ch	-3.1%	4.8%	4.8%	4.0%	11.0%	7.1%	-0.7%	12.1%	3.2%	0.6%	2.9%	2.5%
National (Billions)	9,148	9,217	9,205	9,353	9,506	9,519	9,558	9,727	9,876	9,866	9,956	9,982
% Ch	-0.2%	3.0%	-0.5%	6.6%	6.7%	0.6%	1.7%	7.3%	6.3%	-0.4%	3.7%	1.1%
<b>PER CAPITA PERS INC - CURR \$</b>												
Idaho	27,782	28,119	28,443	28,686	29,271	29,871	29,896	30,481	30,889	31,083	31,373	31,716
% Ch	-4.4%	4.9%	4.7%	3.5%	8.4%	8.5%	0.3%	8.1%	5.5%	2.5%	3.8%	4.4%
National	34,010	34,465	34,690	35,407	36,068	36,409	36,711	37,191	38,000	38,272	38,708	39,102
% Ch	1.1%	5.5%	2.6%	8.5%	7.7%	3.8%	3.4%	5.3%	9.0%	2.9%	4.6%	4.1%
<b>PER CAPITA PERS INC - 2000 \$</b>												
Idaho	25,229	25,324	25,349	25,388	25,794	26,049	25,905	26,472	26,598	26,488	26,616	26,648
% Ch	-6.5%	1.5%	0.4%	0.6%	6.5%	4.0%	-2.2%	9.1%	1.9%	-1.6%	1.9%	0.5%
National	30,885	31,039	30,917	31,336	31,783	31,751	31,811	32,300	32,722	32,615	32,839	32,854
% Ch	-1.1%	2.0%	-1.6%	5.5%	5.8%	-0.4%	0.8%	6.3%	5.3%	-1.3%	2.8%	0.2%
<b>AVERAGE ANNUAL WAGE</b>												
Idaho	31,403	31,762	32,218	32,350	33,109	33,743	33,437	34,749	34,675	34,711	34,906	35,418
% Ch	-0.7%	4.7%	5.9%	1.7%	9.7%	7.9%	-3.6%	16.6%	-0.8%	0.4%	2.3%	6.0%
National	41,906	42,103	42,651	42,907	43,917	43,863	44,119	44,982	45,883	45,956	46,333	46,862
% Ch	1.7%	1.9%	5.3%	2.4%	9.8%	-0.5%	2.4%	8.1%	8.3%	0.6%	3.3%	4.6%

**National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2008**

**IDAHO ECONOMIC FORECAST**  
**QUARTERLY DETAIL**  
**JULY 2008**

**OUTPUT, INCOME, & WAGES**

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>U.S. GROSS DOM. PRODUCT (Billions)</b>												
Current Dollars	14,201	14,295	14,449	14,493	14,552	14,666	14,872	15,102	15,347	15,593	15,827	16,031
% Ch	3.7%	2.7%	4.4%	1.2%	1.6%	3.2%	5.8%	6.3%	6.6%	6.6%	6.2%	5.2%
2000 Chain-Weighted	11,704	11,757	11,804	11,753	11,732	11,806	11,898	12,005	12,118	12,238	12,354	12,454
% Ch	1.0%	1.8%	1.6%	-1.7%	-0.7%	2.5%	3.2%	3.6%	3.8%	4.0%	3.8%	3.3%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	47,906	49,041	49,205	49,385	50,017	50,593	51,111	51,781	52,517	53,352	54,186	55,021
% Ch	-1.5%	9.8%	1.3%	1.5%	5.2%	4.7%	4.2%	5.3%	5.8%	6.5%	6.4%	6.3%
Idaho Nonfarm (Millions)	47,152	47,928	48,101	48,407	48,936	49,429	49,978	50,613	51,387	52,190	53,006	53,819
% Ch	1.7%	6.7%	1.5%	2.6%	4.4%	4.1%	4.5%	5.2%	6.3%	6.4%	6.4%	6.3%
National (Billions)	12,012	12,233	12,278	12,337	12,447	12,547	12,673	12,830	13,017	13,201	13,392	13,582
% Ch	4.5%	7.6%	1.5%	1.9%	3.6%	3.3%	4.1%	5.0%	5.9%	5.8%	5.9%	5.8%
<b>PERSONAL INCOME - 2000 \$</b>												
Idaho (Millions)	39,895	40,442	39,867	39,467	39,711	40,161	40,403	40,823	41,294	41,866	42,401	42,904
% Ch	-4.9%	5.6%	-5.6%	-3.9%	2.5%	4.6%	2.4%	4.2%	4.7%	5.7%	5.2%	4.8%
Idaho Nonfarm (Millions)	39,267	39,523	38,972	38,686	38,852	39,237	39,507	39,902	40,406	40,955	41,478	41,967
% Ch	-1.9%	2.6%	-5.5%	-2.9%	1.7%	4.0%	2.8%	4.1%	5.1%	5.5%	5.2%	4.8%
National (Billions)	10,003	10,088	9,947	9,859	9,882	9,960	10,018	10,115	10,235	10,359	10,480	10,591
% Ch	0.8%	3.4%	-5.5%	-3.5%	0.9%	3.2%	2.4%	3.9%	4.8%	4.9%	4.7%	4.3%
<b>PER CAPITA PERS INC - CURR \$</b>												
Idaho	31,448	32,076	32,051	32,041	32,327	32,564	32,768	33,069	33,402	33,788	34,163	34,525
% Ch	-3.3%	8.2%	-0.3%	-0.1%	3.6%	3.0%	2.5%	3.7%	4.1%	4.7%	4.5%	4.3%
National	39,447	40,085	40,142	40,247	40,518	40,756	41,078	41,497	42,009	42,512	43,036	43,554
% Ch	3.6%	6.6%	0.6%	1.0%	2.7%	2.4%	3.2%	4.1%	5.0%	4.9%	5.0%	4.9%
<b>PER CAPITA PERS INC - 2000 \$</b>												
Idaho	26,189	26,451	25,968	25,606	25,666	25,850	25,902	26,071	26,264	26,514	26,733	26,922
% Ch	-6.7%	4.1%	-7.1%	-5.5%	0.9%	2.9%	0.8%	2.6%	3.0%	3.9%	3.3%	2.9%
National	32,851	33,056	32,524	32,165	32,169	32,352	32,471	32,715	33,032	33,360	33,676	33,963
% Ch	0.0%	2.5%	-6.3%	-4.3%	0.1%	2.3%	1.5%	3.0%	3.9%	4.0%	3.8%	3.4%
<b>AVERAGE ANNUAL WAGE</b>												
Idaho	35,643	35,806	36,145	36,474	36,804	37,127	37,464	37,811	38,153	38,492	38,824	39,150
% Ch	2.6%	1.8%	3.8%	3.7%	3.7%	3.6%	3.7%	3.8%	3.7%	3.6%	3.5%	3.4%
National	47,566	47,908	48,379	48,813	49,221	49,578	50,018	50,460	50,913	51,294	51,716	52,154
% Ch	6.1%	2.9%	4.0%	3.6%	3.4%	2.9%	3.6%	3.6%	3.6%	3.0%	3.3%	3.4%

**National Variables Forecast by Global Insight**  
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**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2008**

**PERSONAL INCOME -- CURR \$\$**

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>WAGE AND SALARY PAYMENTS</b>												
Idaho (Millions)	19,732	20,043	20,575	20,875	21,670	22,275	22,257	23,228	23,408	23,601	23,747	24,150
% Ch	5.8%	6.5%	11.0%	6.0%	16.1%	11.6%	-0.3%	18.6%	3.1%	3.3%	2.5%	7.0%
National (Billions)	5,559	5,614	5,720	5,778	5,946	5,958	6,016	6,153	6,294	6,319	6,383	6,468
% Ch	3.0%	4.0%	7.8%	4.1%	12.1%	0.9%	3.9%	9.4%	9.5%	1.6%	4.1%	5.5%
<b>FARM PROPRIETORS INCOME</b>												
Idaho (Millions)	439	459	375	323	151	116	194	161	298	342	535	612
% Ch	-63.6%	19.5%	-55.4%	-45.0%	-95.2%	-65.2%	682.3%	-52.6%	1073.7%	73.5%	498.8%	71.2%
National (Billions)	30	34	31	28	21	15	18	24	29	33	39	44
% Ch	-53.8%	62.8%	-31.8%	-30.6%	-70.4%	-75.7%	136.2%	204.0%	119.8%	67.4%	84.9%	65.8%
<b>NONFARM PROPRIETORS INCOME</b>												
Idaho (Millions)	4,067	4,154	4,271	4,276	4,422	4,512	4,452	4,440	4,504	4,530	4,553	4,624
% Ch	8.6%	8.8%	11.8%	0.5%	14.4%	8.4%	-5.2%	-1.1%	5.9%	2.3%	2.0%	6.4%
National (Billions)	919	937	936	964	979	999	986	986	998	1,005	1,010	1,012
% Ch	4.8%	8.3%	-0.4%	12.6%	6.3%	8.2%	-5.3%	0.1%	5.2%	2.8%	1.9%	0.8%
<b>DIVIDENDS, RENT &amp; INTEREST</b>												
Idaho (Millions)	6,883	7,094	7,275	7,524	7,641	7,908	8,035	8,073	8,271	8,501	8,715	8,855
% Ch	-29.2%	12.8%	10.6%	14.4%	6.4%	14.7%	6.6%	1.9%	10.2%	11.6%	10.5%	6.6%
National (Billions)	1,615	1,665	1,594	1,769	1,785	1,851	1,881	1,888	1,936	1,992	2,045	2,078
% Ch	-11.6%	12.8%	-15.9%	51.6%	3.6%	15.7%	6.6%	1.4%	10.7%	12.1%	10.9%	6.6%
<b>OTHER LABOR INCOME</b>												
Idaho (Millions)	4,822	4,914	5,040	5,134	5,256	5,455	5,444	5,647	5,662	5,744	5,775	5,869
% Ch	8.9%	7.9%	10.7%	7.7%	9.8%	16.0%	-0.8%	15.8%	1.1%	5.9%	2.2%	6.7%
National (Billions)	909	922	936	945	955	966	975	987	999	1,011	1,023	1,034
% Ch	9.2%	5.7%	6.2%	3.9%	4.6%	4.4%	4.2%	4.7%	5.2%	4.8%	4.8%	4.6%
<b>GOVT. TRANSFERS TO INDIV.</b>												
Idaho (Millions)	5,915	6,038	6,041	6,106	6,335	6,459	6,603	6,691	7,001	7,024	7,160	7,238
% Ch	16.6%	8.6%	0.2%	4.4%	15.9%	8.1%	9.2%	5.4%	19.9%	1.3%	8.0%	4.4%
National (Billions)	1,481	1,505	1,561	1,536	1,573	1,599	1,631	1,648	1,711	1,717	1,742	1,757
% Ch	12.7%	6.8%	15.6%	-6.1%	9.8%	6.9%	8.1%	4.3%	16.2%	1.5%	6.0%	3.3%
<b>CONTRIB. FOR SOCIAL INSUR.</b>												
Idaho (Millions)	3,276	3,330	3,417	3,465	3,621	3,722	3,717	3,868	3,916	3,936	3,970	4,031
% Ch	11.4%	6.8%	10.9%	5.7%	19.3%	11.6%	-0.5%	17.3%	5.1%	2.1%	3.5%	6.3%
National (Billions)	422	426	433	436	448	448	451	460	471	472	477	482
% Ch	6.0%	3.1%	6.6%	3.0%	11.6%	0.1%	2.9%	8.2%	10.0%	0.7%	4.4%	4.4%
<b>RESIDENCE ADJUSTMENT</b>												
Idaho (Millions)	623	627	633	651	667	660	680	696	713	729	754	769
% Ch	-3.8%	2.6%	3.9%	11.9%	10.2%	-4.1%	12.7%	9.7%	10.1%	9.3%	14.4%	8.2%

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**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2008**

**PERSONAL INCOME -- CURR \$\$**

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>WAGE AND SALARY PAYMENTS</b>												
Idaho (Millions)	24,187	24,354	24,619	24,864	25,138	25,423	25,721	26,030	26,395	26,760	27,135	27,528
% Ch	0.6%	2.8%	4.4%	4.1%	4.5%	4.6%	4.8%	4.9%	5.7%	5.6%	5.7%	5.9%
National (Billions)	6,560	6,600	6,662	6,713	6,761	6,815	6,888	6,969	7,058	7,142	7,232	7,325
% Ch	5.8%	2.4%	3.8%	3.1%	2.9%	3.2%	4.3%	4.8%	5.2%	4.9%	5.1%	5.2%
<b>FARM PROPRIETORS INCOME</b>												
Idaho (Millions)	234	542	515	377	479	563	535	573	536	569	590	612
% Ch	-97.9%	2788.3%	-18.7%	-71.3%	160.5%	90.7%	-18.6%	31.5%	-23.2%	27.4%	15.1%	16.0%
National (Billions)	37	35	34	26	21	23	22	23	25	26	27	27
% Ch	-47.4%	-19.8%	-14.7%	-67.5%	-58.7%	67.0%	-23.9%	21.6%	43.6%	19.7%	8.8%	10.0%
<b>NONFARM PROPRIETORS INCOME</b>												
Idaho (Millions)	4,550	4,607	4,703	4,740	4,798	4,872	4,968	5,058	5,143	5,237	5,317	5,387
% Ch	-6.2%	5.1%	8.6%	3.2%	5.0%	6.3%	8.1%	7.4%	7.0%	7.5%	6.2%	5.4%
National (Billions)	1,019	1,026	1,046	1,053	1,065	1,080	1,100	1,119	1,136	1,156	1,172	1,185
% Ch	2.6%	3.0%	8.1%	2.6%	4.5%	5.8%	7.7%	7.0%	6.4%	7.0%	5.7%	4.8%
<b>DIVIDENDS, RENT &amp; INTEREST</b>												
Idaho (Millions)	8,917	9,004	8,954	8,960	8,926	8,919	8,934	9,040	9,226	9,444	9,678	9,926
% Ch	2.8%	4.0%	-2.2%	0.3%	-1.5%	-0.3%	0.7%	4.8%	8.5%	9.8%	10.3%	10.7%
National (Billions)	2,085	2,106	2,094	2,097	2,094	2,089	2,093	2,118	2,159	2,210	2,265	2,323
% Ch	1.5%	3.9%	-2.1%	0.6%	-0.6%	-0.9%	0.8%	4.7%	8.1%	9.7%	10.4%	10.6%
<b>OTHER LABOR INCOME</b>												
Idaho (Millions)	5,914	5,914	5,962	6,019	6,093	6,152	6,221	6,274	6,338	6,405	6,480	6,536
% Ch	3.1%	0.0%	3.3%	3.8%	5.1%	3.9%	4.6%	3.5%	4.1%	4.3%	4.7%	3.6%
National (Billions)	1,048	1,061	1,071	1,081	1,092	1,102	1,115	1,126	1,139	1,151	1,164	1,175
% Ch	5.5%	5.1%	3.6%	3.8%	4.4%	3.4%	5.0%	4.2%	4.4%	4.3%	4.9%	3.6%
<b>GOVT. TRANSFERS TO INDIV.</b>												
Idaho (Millions)	7,399	7,950	7,821	7,820	8,058	8,175	8,267	8,366	8,540	8,632	8,733	8,835
% Ch	9.2%	33.3%	-6.3%	-0.1%	12.7%	5.9%	4.6%	4.9%	8.6%	4.4%	4.8%	4.8%
National (Billions)	1,786	1,932	1,901	1,900	1,956	1,982	2,003	2,025	2,065	2,086	2,108	2,129
% Ch	6.9%	36.8%	-6.2%	-0.2%	12.1%	5.5%	4.3%	4.6%	8.1%	4.0%	4.3%	4.2%
<b>CONTRIB. FOR SOCIAL INSUR.</b>												
Idaho (Millions)	4,074	4,091	4,131	4,160	4,240	4,275	4,300	4,326	4,432	4,469	4,522	4,584
% Ch	4.3%	1.6%	4.0%	2.8%	8.0%	3.4%	2.3%	2.4%	10.1%	3.4%	4.9%	5.5%
National (Billions)	492	494	499	501	509	511	514	517	528	532	538	544
% Ch	8.3%	1.8%	3.4%	1.9%	6.4%	2.0%	1.9%	2.4%	9.5%	2.7%	4.2%	4.8%
<b>RESIDENCE ADJUSTMENT</b>												
Idaho (Millions)	780	760	763	765	764	765	765	766	770	773	776	780
% Ch	5.8%	-9.7%	1.3%	0.9%	-0.1%	0.1%	0.3%	0.6%	1.6%	1.6%	1.8%	2.1%

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**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2008**

**EMPLOYMENT**

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	603,486	606,828	614,873	621,756	630,770	636,911	642,134	645,866	652,192	656,961	657,169	658,868
% Ch	5.0%	2.2%	5.4%	4.6%	5.9%	4.0%	3.3%	2.3%	4.0%	3.0%	0.1%	1.0%
National (Thousands)	132,655	133,341	134,121	134,661	135,383	135,840	136,354	136,789	137,184	137,500	137,758	138,031
% Ch	1.3%	2.1%	2.4%	1.6%	2.2%	1.4%	1.5%	1.3%	1.2%	0.9%	0.8%	0.8%
<b>GOODS PRODUCING SECTOR</b>												
Idaho	109,918	110,776	112,895	115,848	120,029	122,191	123,137	123,922	124,697	124,466	122,939	121,363
% Ch	8.0%	3.2%	7.9%	10.9%	15.2%	7.4%	3.1%	2.6%	2.5%	-0.7%	-4.8%	-5.0%
National (Thousands)	22,022	22,142	22,213	22,371	22,530	22,579	22,568	22,460	22,377	22,280	22,185	22,042
% Ch	0.2%	2.2%	1.3%	2.9%	2.9%	0.9%	-0.2%	-1.9%	-1.5%	-1.7%	-1.7%	-2.6%
<b>MANUFACTURING</b>												
Idaho	64,745	64,675	65,041	65,715	66,975	67,590	68,230	68,610	68,572	68,691	67,672	67,324
% Ch	2.7%	-0.4%	2.3%	4.2%	7.9%	3.7%	3.8%	2.2%	-0.2%	0.7%	-5.8%	-2.0%
National (Thousands)	14,333	14,303	14,264	14,266	14,275	14,268	14,222	14,122	14,048	13,969	13,910	13,848
% Ch	-1.2%	-0.8%	-1.1%	0.1%	0.3%	-0.2%	-1.3%	-2.8%	-2.1%	-2.2%	-1.7%	-1.8%
<b>DURABLE MANUFACTURING</b>												
Idaho	41,554	41,833	42,299	42,769	43,827	44,339	44,901	45,388	45,128	44,969	43,681	43,025
% Ch	5.9%	2.7%	4.5%	4.5%	10.3%	4.8%	5.2%	4.4%	-2.3%	-1.4%	-11.0%	-5.9%
National (Thousands)	9,024	9,019	9,007	9,032	9,055	9,078	9,056	9,001	8,943	8,893	8,855	8,814
% Ch	-0.2%	-0.2%	-0.5%	1.1%	1.0%	1.0%	-1.0%	-2.4%	-2.5%	-2.2%	-1.7%	-1.8%
<b>LOGGING &amp; WOOD PRODUCTS</b>												
Idaho	9,479	9,516	9,660	9,826	10,091	10,147	10,047	9,861	9,757	9,790	9,445	9,325
% Ch	7.2%	1.6%	6.2%	7.0%	11.2%	2.2%	-3.9%	-7.2%	-4.1%	1.3%	-13.4%	-5.0%
National (Thousands)	624	620	623	630	637	633	621	603	592	583	578	569
% Ch	0.3%	-2.6%	2.1%	4.6%	4.3%	-2.7%	-7.3%	-11.1%	-7.0%	-5.8%	-3.5%	-6.0%
<b>METAL FABRICATION</b>												
Idaho	3,767	3,821	3,937	4,098	4,222	4,278	4,382	4,626	4,620	4,677	4,668	4,670
% Ch	15.7%	5.9%	12.7%	17.3%	12.7%	5.4%	10.1%	24.2%	-0.5%	5.0%	-0.8%	0.1%
National (Thousands)	1,514	1,520	1,524	1,531	1,540	1,549	1,562	1,562	1,563	1,562	1,564	1,565
% Ch	0.9%	1.6%	1.2%	1.6%	2.5%	2.4%	3.4%	-0.1%	0.2%	-0.3%	0.6%	0.4%
<b>MACHINERY</b>												
Idaho	2,602	2,571	2,603	2,648	2,796	2,841	2,874	2,947	2,880	2,978	3,035	3,078
% Ch	3.4%	-4.7%	5.2%	7.1%	24.3%	6.6%	4.7%	10.6%	-8.8%	14.3%	7.9%	5.8%
National (Thousands)	1,156	1,164	1,167	1,174	1,175	1,181	1,188	1,189	1,187	1,187	1,189	1,190
% Ch	1.6%	2.5%	1.0%	2.4%	0.6%	2.0%	2.3%	0.4%	-0.7%	-0.1%	0.7%	0.4%
<b>COMPUTER &amp; ELECTRONICS</b>												
Idaho	16,311	16,295	16,134	15,999	16,370	16,446	16,784	17,073	17,002	16,777	15,846	15,249
% Ch	-1.1%	-0.4%	-3.9%	-3.3%	9.6%	1.9%	8.5%	7.1%	-1.7%	-5.2%	-20.4%	-14.2%
National (Thousands)	1,318	1,316	1,317	1,314	1,308	1,314	1,308	1,301	1,290	1,274	1,265	1,258
% Ch	-0.6%	-0.4%	0.2%	-1.0%	-1.7%	1.7%	-1.7%	-2.3%	-3.1%	-4.9%	-3.0%	-2.1%
<b>OTHER DURABLES</b>												
Idaho	9,395	9,630	9,965	10,199	10,348	10,627	10,814	10,881	10,869	10,747	10,687	10,702
% Ch	14.7%	10.4%	14.6%	9.7%	6.0%	11.2%	7.2%	2.5%	-0.4%	-4.4%	-2.2%	0.6%
National (Thousands)	4,413	4,399	4,376	4,384	4,395	4,401	4,377	4,347	4,311	4,287	4,260	4,231
% Ch	-0.9%	-1.2%	-2.1%	0.7%	1.0%	0.6%	-2.2%	-2.8%	-3.2%	-2.2%	-2.5%	-2.6%

**National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2008**



**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2008**

**EMPLOYMENT**

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	655,226	654,595	655,169	655,605	656,824	658,775	660,832	663,032	666,486	670,182	674,149	678,589
% Ch	-2.2%	-0.4%	0.4%	0.3%	0.7%	1.2%	1.3%	1.3%	2.1%	2.2%	2.4%	2.7%
National (Thousands)	137,917	137,759	137,705	137,523	137,366	137,469	137,702	138,112	138,631	139,241	139,839	140,441
% Ch	-0.3%	-0.5%	-0.2%	-0.5%	-0.5%	0.3%	0.7%	1.2%	1.5%	1.8%	1.7%	1.7%
<b>GOODS PRODUCING SECTOR</b>												
Idaho	117,296	115,320	113,859	112,187	110,779	109,815	109,348	109,218	109,326	109,649	110,043	110,597
% Ch	-12.7%	-6.6%	-5.0%	-5.7%	-4.9%	-3.4%	-1.7%	-0.5%	0.4%	1.2%	1.4%	2.0%
National (Thousands)	21,820	21,579	21,375	21,182	21,080	20,916	20,724	20,645	20,577	20,591	20,631	20,708
% Ch	-4.0%	-4.3%	-3.7%	-3.6%	-1.9%	-3.1%	-3.6%	-1.5%	-1.3%	0.3%	0.8%	1.5%
<b>MANUFACTURING</b>												
Idaho	66,366	65,830	65,786	64,928	63,751	62,872	62,398	62,464	62,746	63,231	63,967	64,780
% Ch	-5.6%	-3.2%	-0.3%	-5.1%	-7.1%	-5.4%	-3.0%	0.4%	1.8%	3.1%	4.7%	5.2%
National (Thousands)	13,751	13,630	13,535	13,482	13,519	13,381	13,180	13,052	12,999	12,981	12,980	12,993
% Ch	-2.8%	-3.5%	-2.7%	-1.6%	1.1%	-4.0%	-5.9%	-3.8%	-1.6%	-0.5%	0.0%	0.4%
<b>DURABLE MANUFACTURING</b>												
Idaho	41,866	41,342	41,353	40,595	39,460	38,565	38,076	38,109	38,422	38,928	39,648	40,422
% Ch	-10.3%	-4.9%	0.1%	-7.1%	-10.7%	-8.8%	-5.0%	0.3%	3.3%	5.4%	7.6%	8.0%
National (Thousands)	8,745	8,648	8,573	8,541	8,565	8,473	8,322	8,235	8,202	8,206	8,227	8,249
% Ch	-3.1%	-4.4%	-3.4%	-1.5%	1.1%	-4.2%	-7.0%	-4.1%	-1.6%	0.2%	1.0%	1.1%
<b>LOGGING &amp; WOOD PRODUCTS</b>												
Idaho	8,884	8,938	8,977	8,706	8,339	8,008	7,879	8,055	8,211	8,335	8,510	8,690
% Ch	-17.6%	2.4%	1.8%	-11.5%	-15.8%	-14.9%	-6.3%	9.2%	8.0%	6.2%	8.6%	8.7%
National (Thousands)	559	548	534	519	508	504	506	514	523	532	543	555
% Ch	-7.2%	-7.7%	-9.3%	-11.2%	-8.0%	-3.0%	1.5%	6.1%	7.1%	7.7%	8.1%	9.4%
<b>METAL FABRICATION</b>												
Idaho	4,786	4,743	4,681	4,610	4,551	4,520	4,517	4,541	4,578	4,626	4,682	4,739
% Ch	10.3%	-3.5%	-5.1%	-5.9%	-5.1%	-2.7%	-0.2%	2.1%	3.3%	4.2%	5.0%	5.0%
National (Thousands)	1,558	1,545	1,544	1,553	1,563	1,541	1,488	1,449	1,420	1,399	1,388	1,391
% Ch	-1.8%	-3.5%	-0.1%	2.4%	2.6%	-5.6%	-13.1%	-10.1%	-7.7%	-5.7%	-3.1%	0.7%
<b>MACHINERY</b>												
Idaho	3,106	3,100	3,024	2,977	2,943	2,913	2,894	2,884	2,882	2,885	2,890	2,898
% Ch	3.7%	-0.7%	-9.4%	-6.2%	-4.5%	-4.0%	-2.6%	-1.4%	-0.3%	0.4%	0.8%	1.1%
National (Thousands)	1,194	1,192	1,195	1,211	1,224	1,224	1,201	1,182	1,164	1,155	1,151	1,156
% Ch	1.2%	-0.4%	0.9%	5.5%	4.2%	0.2%	-7.3%	-6.3%	-5.9%	-3.2%	-1.2%	1.6%
<b>COMPUTER &amp; ELECTRONICS</b>												
Idaho	14,739	14,311	14,451	14,239	13,677	13,138	12,655	12,309	12,257	12,416	12,711	13,044
% Ch	-12.7%	-11.1%	4.0%	-5.7%	-14.9%	-14.8%	-13.9%	-10.5%	-1.7%	5.3%	9.8%	10.9%
National (Thousands)	1,254	1,251	1,243	1,209	1,224	1,181	1,166	1,162	1,185	1,217	1,234	1,206
% Ch	-1.3%	-1.1%	-2.4%	-10.4%	5.0%	-13.3%	-5.1%	-1.2%	8.0%	11.3%	5.9%	-9.0%
<b>OTHER DURABLES</b>												
Idaho	10,351	10,251	10,220	10,063	9,950	9,985	10,131	10,320	10,493	10,666	10,855	11,051
% Ch	-12.5%	-3.8%	-1.2%	-6.0%	-4.4%	1.4%	6.0%	7.7%	6.9%	6.8%	7.3%	7.4%
National (Thousands)	4,181	4,113	4,057	4,048	4,046	4,022	3,961	3,929	3,911	3,903	3,910	3,942
% Ch	-4.7%	-6.4%	-5.3%	-0.8%	-0.2%	-2.4%	-6.0%	-3.2%	-1.8%	-0.8%	0.7%	3.3%

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**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2008**

**EMPLOYMENT**

**MANUFACTURING (continued)**

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>NONDURABLE MANUFACTURING</b>												
Idaho	23,191	22,842	22,742	22,946	23,148	23,251	23,330	23,222	23,443	23,722	23,991	24,299
% Ch	-2.9%	-5.9%	-1.8%	3.6%	3.6%	1.8%	1.4%	-1.8%	3.9%	4.8%	4.6%	5.2%
National (Thousands)	5,309	5,284	5,257	5,234	5,220	5,190	5,166	5,121	5,104	5,076	5,054	5,033
% Ch	-2.9%	-1.9%	-2.1%	-1.7%	-1.0%	-2.3%	-1.8%	-3.4%	-1.3%	-2.2%	-1.7%	-1.7%
<b>FOOD PROCESSING</b>												
Idaho	14,952	14,676	14,554	14,677	14,683	14,744	14,756	14,616	14,788	15,000	15,201	15,382
% Ch	-4.0%	-7.2%	-3.3%	3.4%	0.2%	1.7%	0.3%	-3.7%	4.8%	5.9%	5.5%	4.8%
National (Thousands)	1,483	1,478	1,475	1,474	1,479	1,480	1,481	1,478	1,480	1,480	1,482	1,481
% Ch	-1.0%	-1.2%	-0.9%	-0.3%	1.2%	0.4%	0.3%	-0.7%	0.5%	0.1%	0.5%	-0.2%
<b>PRINTING</b>												
Idaho	1,908	1,895	1,898	1,898	1,872	1,913	1,921	1,925	1,926	1,884	1,882	1,878
% Ch	-2.5%	-2.8%	0.7%	0.1%	-5.4%	8.9%	1.7%	0.9%	0.0%	-8.3%	-0.5%	-0.9%
National (Thousands)	651	649	644	641	638	635	632	633	629	625	622	621
% Ch	-2.8%	-1.7%	-2.6%	-2.0%	-1.8%	-1.6%	-2.3%	0.6%	-2.1%	-2.9%	-1.5%	-0.8%
<b>CHEMICALS</b>												
Idaho	1,938	1,918	1,947	1,949	2,087	2,097	2,136	2,147	2,205	2,254	2,277	2,330
% Ch	6.7%	-4.1%	6.2%	0.4%	31.5%	1.9%	7.6%	2.2%	11.3%	9.1%	4.2%	9.6%
National (Thousands)	877	875	870	867	866	864	867	866	864	862	864	861
% Ch	-2.6%	-0.7%	-2.5%	-1.2%	-0.4%	-0.8%	1.3%	-0.6%	-1.0%	-0.8%	0.7%	-1.2%
<b>OTHER NONDURABLES</b>												
Idaho	4,393	4,353	4,343	4,422	4,506	4,498	4,517	4,533	4,525	4,583	4,631	4,710
% Ch	-3.3%	-3.6%	-1.0%	7.5%	7.8%	-0.8%	1.8%	1.4%	-0.7%	5.3%	4.2%	7.0%
National (Thousands)	2,298	2,282	2,267	2,252	2,238	2,210	2,186	2,144	2,131	2,109	2,086	2,070
% Ch	-4.3%	-2.8%	-2.5%	-2.7%	-2.5%	-4.8%	-4.2%	-7.5%	-2.4%	-4.2%	-4.2%	-3.1%
<b>MINING</b>												
Idaho	2,026	2,125	2,228	2,266	2,326	2,394	2,365	2,414	2,574	2,587	2,665	2,847
% Ch	3.6%	21.1%	21.0%	7.0%	11.0%	12.1%	-4.7%	8.5%	29.3%	2.1%	12.6%	30.2%
National (Thousands)	544	557	565	581	597	615	627	640	649	658	667	674
% Ch	10.1%	10.1%	5.3%	12.4%	11.1%	12.6%	8.2%	8.1%	5.9%	5.9%	5.5%	4.0%
<b>CONSTRUCTION</b>												
Idaho	43,147	43,977	45,625	47,866	50,728	52,207	52,541	52,898	53,552	53,188	52,602	51,193
% Ch	17.0%	7.9%	15.9%	21.1%	26.1%	12.2%	2.6%	2.7%	5.0%	-2.7%	-4.3%	-10.3%
National (Thousands)	7,144	7,281	7,384	7,524	7,657	7,696	7,718	7,699	7,681	7,653	7,609	7,521
% Ch	2.4%	7.9%	5.8%	7.8%	7.3%	2.0%	1.1%	-1.0%	-0.9%	-1.5%	-2.3%	-4.5%
<b>NONGOODS PRODUCING</b>												
Idaho	493,568	496,052	501,978	505,908	510,741	514,720	518,997	521,944	527,495	532,494	534,229	537,505
% Ch	4.3%	2.0%	4.9%	3.2%	3.9%	3.2%	3.4%	2.3%	4.3%	3.8%	1.3%	2.5%
National (Thousands)	110,633	111,199	111,908	112,290	112,854	113,261	113,786	114,329	114,807	115,220	115,573	115,988
% Ch	1.5%	2.1%	2.6%	1.4%	2.0%	1.5%	1.9%	1.9%	1.7%	1.4%	1.2%	1.4%
<b>SERVICES</b>												
Idaho	276,912	278,522	282,336	285,239	288,397	291,259	294,604	296,665	300,537	304,251	305,460	307,685
% Ch	6.0%	2.3%	5.6%	4.2%	4.5%	4.0%	4.7%	2.8%	5.3%	5.0%	1.6%	2.9%
National (Thousands)	68,004	68,425	68,932	69,272	69,764	70,131	70,508	70,907	71,229	71,533	71,829	72,135
% Ch	1.8%	2.5%	3.0%	2.0%	2.9%	2.1%	2.2%	2.3%	1.8%	1.7%	1.7%	1.7%
<b>INFORMATION</b>												
Idaho	10,894	11,025	11,029	11,334	10,479	10,589	10,647	10,641	10,822	10,914	10,879	11,023
% Ch	19.6%	4.9%	0.2%	11.5%	-26.9%	4.3%	2.2%	-0.2%	7.0%	3.4%	-1.3%	5.4%
National (Thousands)	3,065	3,062	3,061	3,056	3,054	3,039	3,028	3,028	3,031	3,035	3,027	3,022
% Ch	-3.0%	-0.4%	-0.1%	-0.7%	-0.3%	-1.9%	-1.4%	0.0%	0.4%	0.4%	-1.0%	-0.7%
<b>FINANCIAL ACTIVITIES</b>												
Idaho	28,861	29,169	29,948	30,641	31,179	31,648	31,939	32,218	32,486	32,725	32,488	32,424
% Ch	4.7%	4.3%	11.1%	9.6%	7.2%	6.2%	3.7%	3.5%	3.4%	3.0%	-2.9%	-0.8%
National (Thousands)	8,094	8,109	8,169	8,238	8,293	8,330	8,339	8,353	8,343	8,318	8,312	8,265
% Ch	1.4%	0.7%	3.0%	3.5%	2.7%	1.8%	0.4%	0.7%	-0.5%	-1.2%	-0.3%	-2.3%

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**IDAHO ECONOMIC FORECAST**  
**QUARTERLY DETAIL**  
**JULY 2008**

**EMPLOYMENT**

**MANUFACTURING (continued)**

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>NONDURABLE MANUFACTURING</b>												
Idaho	24,500	24,488	24,432	24,333	24,292	24,307	24,321	24,355	24,325	24,303	24,318	24,358
% Ch	3.3%	-0.2%	-0.9%	-1.6%	-0.7%	0.3%	0.2%	0.6%	-0.5%	-0.4%	0.3%	0.7%
National (Thousands)	5,005	4,982	4,962	4,941	4,953	4,908	4,859	4,817	4,797	4,775	4,753	4,744
% Ch	-2.2%	-1.9%	-1.6%	-1.7%	1.0%	-3.6%	-4.0%	-3.4%	-1.7%	-1.8%	-1.8%	-0.7%
<b>FOOD PROCESSING</b>												
Idaho	15,630	15,725	15,707	15,677	15,725	15,802	15,849	15,892	15,862	15,835	15,825	15,845
% Ch	6.6%	2.5%	-0.5%	-0.8%	1.2%	2.0%	1.2%	1.1%	-0.7%	-0.7%	-0.2%	0.5%
National (Thousands)	1,481	1,473	1,475	1,472	1,493	1,492	1,486	1,481	1,484	1,483	1,481	1,483
% Ch	0.0%	-2.1%	0.6%	-1.0%	5.9%	-0.2%	-1.6%	-1.3%	0.8%	-0.2%	-0.5%	0.5%
<b>PRINTING</b>												
Idaho	1,881	1,849	1,837	1,826	1,821	1,811	1,799	1,786	1,773	1,760	1,746	1,732
% Ch	0.7%	-6.6%	-2.7%	-2.4%	-1.1%	-2.0%	-2.7%	-2.8%	-3.0%	-3.0%	-3.0%	-3.2%
National (Thousands)	616	613	609	608	606	600	592	585	581	576	571	568
% Ch	-3.1%	-2.3%	-2.4%	-0.7%	-1.3%	-4.1%	-5.1%	-4.4%	-3.0%	-3.1%	-3.2%	-2.4%
<b>CHEMICALS</b>												
Idaho	2,344	2,363	2,342	2,317	2,294	2,286	2,279	2,270	2,260	2,250	2,239	2,229
% Ch	2.5%	3.3%	-3.5%	-4.2%	-3.8%	-1.5%	-1.2%	-1.5%	-1.7%	-1.8%	-1.8%	-1.8%
National (Thousands)	861	861	857	857	857	847	838	830	824	820	818	818
% Ch	-0.1%	0.2%	-1.9%	-0.3%	0.0%	-4.4%	-4.3%	-3.8%	-2.5%	-2.0%	-1.1%	0.2%
<b>OTHER NONDURABLES</b>												
Idaho	4,645	4,550	4,547	4,514	4,452	4,408	4,395	4,407	4,430	4,458	4,507	4,552
% Ch	-5.4%	-7.9%	-0.3%	-2.9%	-5.4%	-3.9%	-1.2%	1.1%	2.1%	2.6%	4.5%	4.0%
National (Thousands)	2,047	2,034	2,020	2,004	1,998	1,969	1,943	1,921	1,908	1,895	1,883	1,875
% Ch	-4.4%	-2.5%	-2.8%	-3.1%	-1.3%	-5.6%	-5.2%	-4.4%	-2.8%	-2.6%	-2.6%	-1.6%
<b>MINING</b>												
Idaho	2,880	2,898	2,908	2,852	2,777	2,729	2,690	2,664	2,651	2,649	2,655	2,660
% Ch	4.8%	2.6%	1.3%	-7.4%	-10.2%	-6.8%	-5.6%	-3.8%	-2.0%	-0.2%	0.8%	0.8%
National (Thousands)	686	694	713	738	759	768	764	750	732	719	708	697
% Ch	7.4%	4.9%	11.6%	14.5%	11.8%	5.1%	-2.3%	-6.8%	-9.3%	-7.3%	-5.9%	-6.2%
<b>CONSTRUCTION</b>												
Idaho	48,050	46,591	45,166	44,407	44,250	44,214	44,260	44,090	43,929	43,769	43,422	43,157
% Ch	-22.4%	-11.6%	-11.7%	-6.6%	-1.4%	-0.3%	0.4%	-1.5%	-1.5%	-1.4%	-3.1%	-2.4%
National (Thousands)	7,384	7,256	7,127	6,963	6,803	6,767	6,779	6,843	6,846	6,892	6,943	7,018
% Ch	-7.1%	-6.8%	-6.9%	-8.9%	-8.9%	-2.1%	0.7%	3.8%	0.2%	2.7%	3.0%	4.4%
<b>NONGOODS PRODUCING</b>												
Idaho	537,930	539,275	541,310	543,418	546,045	548,960	551,484	553,814	557,161	560,533	564,106	567,993
% Ch	0.3%	1.0%	1.5%	1.6%	1.9%	2.2%	1.9%	1.7%	2.4%	2.4%	2.6%	2.8%
National (Thousands)	116,097	116,180	116,329	116,341	116,285	116,553	116,979	117,467	118,054	118,650	119,208	119,733
% Ch	0.4%	0.3%	0.5%	0.0%	-0.2%	0.9%	1.5%	1.7%	2.0%	2.0%	1.9%	1.8%
<b>SERVICES</b>												
Idaho	307,504	308,921	309,468	310,326	312,125	314,426	316,291	318,433	320,778	323,250	325,757	328,267
% Ch	-0.2%	1.9%	0.7%	1.1%	2.3%	3.0%	2.4%	2.7%	3.0%	3.1%	3.1%	3.1%
National (Thousands)	72,245	72,391	72,554	72,695	72,728	72,889	73,193	73,530	73,935	74,439	74,974	75,466
% Ch	0.6%	0.8%	0.9%	0.8%	0.2%	0.9%	1.7%	1.9%	2.2%	2.8%	2.9%	2.7%
<b>INFORMATION</b>												
Idaho	11,304	11,444	11,410	11,376	11,389	11,438	11,493	11,552	11,614	11,677	11,740	11,803
% Ch	10.6%	5.1%	-1.2%	-1.2%	0.4%	1.7%	1.9%	2.1%	2.2%	2.2%	2.2%	2.2%
National (Thousands)	3,014	3,003	2,996	3,003	2,988	2,947	2,925	2,905	2,895	2,879	2,855	2,852
% Ch	-1.1%	-1.5%	-1.0%	1.0%	-2.1%	-5.4%	-2.9%	-2.7%	-1.4%	-2.1%	-3.3%	-0.4%
<b>FINANCIAL ACTIVITIES</b>												
Idaho	32,289	32,447	32,546	32,663	32,800	32,941	33,085	33,224	33,362	33,498	33,634	33,780
% Ch	-1.7%	2.0%	1.2%	1.4%	1.7%	1.7%	1.8%	1.7%	1.7%	1.6%	1.6%	1.7%
National (Thousands)	8,235	8,225	8,190	8,145	8,144	8,193	8,238	8,267	8,291	8,335	8,403	8,485
% Ch	-1.4%	-0.5%	-1.7%	-2.2%	0.0%	2.4%	2.2%	1.4%	1.1%	2.1%	3.3%	4.0%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2008

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2008**

**EMPLOYMENT**

**SERVICES (Continued)**

		2005				2006				2007			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TRANS., WAREHOUSING, UTILITIES													
Idaho		18,951	19,107	19,499	19,622	19,955	20,190	20,315	20,513	20,846	21,008	21,028	21,255
% Ch		0.4%	3.3%	8.5%	2.5%	7.0%	4.8%	2.5%	4.0%	6.7%	3.2%	0.4%	4.4%
National (Thousands)		4,878	4,910	4,931	4,946	4,975	5,004	5,032	5,063	5,078	5,084	5,095	5,102
% Ch		2.9%	2.6%	1.7%	1.3%	2.3%	2.4%	2.2%	2.5%	1.2%	0.5%	0.8%	0.6%
PROFESSIONAL & BUSINESS													
Idaho		75,799	76,334	77,468	78,047	80,685	81,302	81,638	81,834	82,345	83,196	83,616	83,696
% Ch		6.8%	2.9%	6.1%	3.0%	14.2%	3.1%	1.7%	1.0%	2.5%	4.2%	2.0%	0.4%
National (Thousands)		16,696	16,844	17,043	17,214	17,368	17,511	17,650	17,760	17,865	17,925	17,979	18,093
% Ch		2.7%	3.6%	4.8%	4.1%	3.6%	3.3%	3.2%	2.5%	2.4%	1.4%	1.2%	2.6%
EDUCATION & HEALTH													
Idaho		67,435	67,755	68,161	68,599	68,564	69,292	71,155	71,416	72,673	73,797	74,311	75,440
% Ch		6.7%	1.9%	2.4%	2.6%	-0.2%	4.3%	11.2%	1.5%	7.2%	6.3%	2.8%	6.2%
National (Thousands)		17,191	17,305	17,451	17,538	17,672	17,764	17,869	17,996	18,112	18,257	18,411	18,527
% Ch		2.0%	2.7%	3.4%	2.0%	3.1%	2.1%	2.4%	2.9%	2.6%	3.2%	3.4%	2.5%
LEISURE & HOSPITALITY													
Idaho		56,630	56,756	57,717	58,326	58,764	59,302	59,736	60,865	62,096	63,187	63,620	64,206
% Ch		6.3%	0.9%	6.9%	4.3%	3.0%	3.7%	3.0%	7.8%	8.3%	7.2%	2.8%	3.7%
National (Thousands)		12,688	12,803	12,876	12,884	12,980	13,053	13,151	13,246	13,329	13,421	13,507	13,622
% Ch		2.6%	3.7%	2.3%	0.3%	3.0%	2.3%	3.0%	2.9%	2.6%	2.8%	2.6%	3.4%
OTHER SERVICES													
Idaho		18,341	18,378	18,514	18,670	18,771	18,937	19,174	19,179	19,268	19,424	19,518	19,641
% Ch		0.4%	0.8%	3.0%	3.4%	2.2%	3.6%	5.1%	0.1%	1.9%	3.3%	1.9%	2.6%
National (Thousands)		5,391	5,391	5,402	5,395	5,422	5,430	5,439	5,462	5,470	5,492	5,498	5,503
% Ch		-0.5%	0.0%	0.8%	-0.5%	2.1%	0.5%	0.7%	1.7%	0.6%	1.6%	0.4%	0.4%
TRADE													
Idaho		101,813	102,814	104,602	105,492	105,830	106,908	107,975	109,170	111,150	111,547	111,711	112,217
% Ch		6.1%	4.0%	7.1%	3.4%	1.3%	4.1%	4.1%	4.5%	7.5%	1.4%	0.6%	1.8%
National (Thousands)		20,888	21,009	21,122	21,157	21,214	21,215	21,260	21,349	21,453	21,504	21,541	21,563
% Ch		1.2%	2.3%	2.2%	0.7%	1.1%	0.0%	0.8%	1.7%	2.0%	1.0%	0.7%	0.4%
RETAIL TRADE													
Idaho		75,452	76,202	77,475	78,081	79,107	79,973	81,036	81,945	83,331	83,536	83,411	83,934
% Ch		4.9%	4.0%	6.9%	3.2%	5.4%	4.4%	5.4%	4.6%	6.9%	1.0%	-0.6%	2.5%
National (Thousands)		15,174	15,262	15,343	15,347	15,358	15,325	15,341	15,400	15,476	15,490	15,493	15,490
% Ch		1.2%	2.3%	2.1%	0.1%	0.3%	-0.9%	0.4%	1.5%	2.0%	0.4%	0.1%	-0.1%
WHOLESALE TRADE													
Idaho		26,362	26,613	27,127	27,412	26,722	26,936	26,939	27,225	27,819	28,011	28,300	28,283
% Ch		9.3%	3.9%	8.0%	4.3%	-9.7%	3.2%	0.0%	4.3%	9.0%	2.8%	4.2%	-0.2%
National (Thousands)		5,714	5,747	5,779	5,810	5,856	5,891	5,919	5,949	5,977	6,014	6,048	6,073
% Ch		1.1%	2.3%	2.2%	2.2%	3.2%	2.4%	1.9%	2.1%	1.9%	2.5%	2.3%	1.6%
STATE & LOCAL GOVERNMENT													
Idaho		101,683	101,562	102,116	102,094	103,574	103,784	103,529	103,209	102,895	103,791	104,408	104,811
% Ch		-0.9%	-0.5%	2.2%	-0.1%	5.9%	0.8%	-1.0%	-1.2%	-1.2%	3.5%	2.4%	1.6%
National (Thousands)		19,014	19,033	19,123	19,125	19,147	19,182	19,282	19,345	19,396	19,458	19,479	19,563
% Ch		0.9%	0.4%	1.9%	0.0%	0.5%	0.7%	2.1%	1.3%	1.1%	1.3%	0.4%	1.7%
EDUCATION													
Idaho		51,309	51,234	51,472	51,172	52,123	52,421	53,348	52,672	52,582	52,966	53,025	53,487
% Ch		1.1%	-0.6%	1.9%	-2.3%	7.6%	2.3%	7.3%	-5.0%	-0.7%	3.0%	0.4%	3.5%
NONEDUCATION													
Idaho		50,374	50,328	50,643	50,921	51,451	51,363	50,180	50,537	50,313	50,825	51,383	51,324
% Ch		-2.9%	-0.4%	2.5%	2.2%	4.2%	-0.7%	-8.9%	2.9%	-1.8%	4.1%	4.5%	-0.5%
FEDERAL GOVERNMENT													
Idaho		13,160	13,154	12,925	13,083	12,940	12,769	12,889	12,900	12,913	12,906	12,651	12,791
% Ch		-2.8%	-0.2%	-6.8%	5.0%	-4.3%	-5.2%	3.8%	0.3%	0.4%	-0.2%	-7.7%	4.5%
National (Thousands)		2,728	2,732	2,731	2,736	2,729	2,733	2,738	2,728	2,729	2,725	2,724	2,728
% Ch		0.0%	0.6%	-0.1%	0.7%	-1.0%	0.6%	0.7%	-1.4%	0.1%	-0.5%	-0.2%	0.7%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2008

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2008**

**EMPLOYMENT**

SERVICES (Continued)	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>TRANS., WAREHOUSING, UTILITIES</b>												
Idaho	21,125	21,092	21,094	21,145	21,198	21,209	21,203	21,175	21,143	21,146	21,183	21,247
% Ch	-2.4%	-0.6%	0.0%	1.0%	1.0%	0.2%	-0.1%	-0.5%	-0.6%	0.1%	0.7%	1.2%
National (Thousands)	5,093	5,095	5,085	5,053	5,004	5,053	5,045	5,085	5,122	5,175	5,214	5,250
% Ch	-0.7%	0.1%	-0.7%	-2.5%	-3.8%	0.4%	3.0%	3.2%	3.0%	4.2%	3.1%	2.8%
<b>PROFESSIONAL &amp; BUSINESS</b>												
Idaho	80,971	81,417	81,926	82,372	83,106	84,034	84,673	85,491	86,407	87,338	88,234	89,086
% Ch	-12.4%	2.2%	2.5%	2.2%	3.6%	4.5%	3.1%	3.9%	4.4%	4.4%	4.2%	3.9%
National (Thousands)	18,063	18,016	18,038	18,076	17,983	17,980	18,198	18,495	18,796	19,123	19,441	19,712
% Ch	-0.7%	-1.0%	0.5%	0.9%	-2.0%	-0.1%	4.9%	6.7%	6.7%	7.1%	6.8%	5.7%
<b>EDUCATION &amp; HEALTH</b>												
Idaho	77,100	77,799	77,396	77,186	77,527	78,046	78,437	78,990	79,633	80,317	80,995	81,655
% Ch	9.1%	3.7%	-2.1%	-1.1%	1.8%	2.7%	2.0%	2.8%	3.3%	3.5%	3.4%	3.3%
National (Thousands)	18,664	18,820	18,939	19,030	19,225	19,463	19,570	19,592	19,665	19,742	19,797	19,828
% Ch	3.0%	3.4%	2.6%	1.9%	4.2%	5.0%	2.2%	0.4%	1.5%	1.6%	1.1%	0.6%
<b>LEISURE &amp; HOSPITALITY</b>												
Idaho	63,953	63,827	64,091	64,442	64,824	65,378	65,880	66,329	66,766	67,221	67,689	68,179
% Ch	-1.6%	-0.8%	1.7%	2.2%	2.4%	3.5%	3.1%	2.8%	2.7%	2.8%	2.8%	2.9%
National (Thousands)	13,660	13,697	13,756	13,816	13,807	13,745	13,688	13,685	13,691	13,720	13,798	13,867
% Ch	1.1%	1.1%	1.8%	1.7%	-0.3%	-1.8%	-1.6%	-0.1%	0.2%	0.9%	2.3%	2.0%
<b>OTHER SERVICES</b>												
Idaho	20,761	20,894	21,005	21,142	21,280	21,380	21,521	21,671	21,853	22,053	22,281	22,517
% Ch	24.8%	2.6%	2.1%	2.6%	2.6%	1.9%	2.7%	2.8%	3.4%	3.7%	4.2%	4.3%
National (Thousands)	5,516	5,536	5,551	5,571	5,578	5,554	5,528	5,502	5,474	5,464	5,466	5,471
% Ch	0.9%	1.5%	1.1%	1.5%	0.4%	-1.7%	-1.9%	-1.9%	-2.0%	-0.8%	0.2%	0.4%
<b>TRADE</b>												
Idaho	112,278	112,295	113,048	114,102	115,129	115,917	116,774	117,356	118,178	119,129	120,301	121,527
% Ch	0.2%	0.1%	2.7%	3.8%	3.6%	2.8%	3.0%	2.0%	2.8%	3.3%	4.0%	4.1%
National (Thousands)	21,494	21,387	21,322	21,152	21,007	21,064	21,180	21,312	21,398	21,497	21,545	21,557
% Ch	-1.3%	-2.0%	-1.2%	-3.2%	-2.7%	1.1%	2.2%	2.5%	1.6%	1.9%	0.9%	0.2%
<b>RETAIL TRADE</b>												
Idaho	84,080	83,914	84,414	85,163	85,930	86,514	87,151	87,578	88,188	88,897	89,775	90,694
% Ch	0.7%	-0.8%	2.4%	3.6%	3.7%	2.7%	3.0%	2.0%	2.8%	3.3%	4.0%	4.2%
National (Thousands)	15,434	15,346	15,309	15,226	15,174	15,202	15,265	15,371	15,441	15,495	15,524	15,528
% Ch	-1.4%	-2.3%	-1.0%	-2.1%	-1.4%	0.7%	1.7%	2.8%	1.8%	1.4%	0.8%	0.1%
<b>WHOLESALE TRADE</b>												
Idaho	28,199	28,381	28,634	28,939	29,199	29,403	29,623	29,778	29,990	30,232	30,527	30,834
% Ch	-1.2%	2.6%	3.6%	4.3%	3.6%	2.8%	3.0%	2.1%	2.9%	3.3%	3.9%	4.1%
National (Thousands)	6,060	6,041	6,013	5,925	5,833	5,862	5,915	5,940	5,957	6,003	6,021	6,030
% Ch	-0.8%	-1.2%	-1.8%	-5.7%	-6.1%	2.0%	3.6%	1.8%	1.1%	3.1%	1.2%	0.6%
<b>STATE &amp; LOCAL GOVERNMENT</b>												
Idaho	104,920	104,870	105,614	105,818	105,626	105,440	105,217	104,759	104,542	104,537	104,637	104,854
% Ch	0.4%	-0.2%	2.9%	0.8%	-0.7%	-0.7%	-0.8%	-1.7%	-0.8%	0.0%	0.4%	0.8%
National (Thousands)	19,636	19,674	19,723	19,764	19,821	19,871	19,877	19,887	19,893	19,906	19,941	19,984
% Ch	1.5%	0.8%	1.0%	0.8%	1.2%	1.0%	0.1%	0.2%	0.1%	0.3%	0.7%	0.9%
<b>EDUCATION</b>												
Idaho	52,968	52,764	53,379	53,568	53,494	53,406	53,387	53,225	53,193	53,350	53,530	53,718
% Ch	-3.8%	-1.5%	4.7%	1.4%	-0.6%	-0.7%	-0.1%	-1.2%	-0.2%	1.2%	1.4%	1.4%
<b>NONEDUCATION</b>												
Idaho	51,952	52,105	52,234	52,250	52,132	52,034	51,830	51,534	51,349	51,186	51,107	51,137
% Ch	5.0%	1.2%	1.0%	0.1%	-0.9%	-0.8%	-1.6%	-2.3%	-1.4%	-1.3%	-0.6%	0.2%
<b>FEDERAL GOVERNMENT</b>												
Idaho	13,227	13,189	13,181	13,171	13,165	13,176	13,202	13,267	13,662	13,617	13,411	13,344
% Ch	14.3%	-1.2%	-0.3%	-0.3%	-0.2%	0.4%	0.8%	2.0%	12.5%	-1.3%	-5.9%	-2.0%
National (Thousands)	2,723	2,728	2,730	2,730	2,729	2,729	2,729	2,738	2,829	2,808	2,748	2,725
% Ch	-0.8%	0.8%	0.2%	0.0%	-0.2%	0.0%	0.1%	1.2%	14.0%	-2.9%	-8.3%	-3.2%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2008

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2008**

**MISCELLANEOUS**

	Q1	2005 Q2	Q3	Q4	Q1	2006 Q2	Q3	Q4	Q1	2007 Q2	Q3	Q4
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>												
<b>Gross Domestic Product</b>	111.745	112.455	113.422	114.398	115.363	116.350	117.030	117.527	118.750	119.527	119.837	120.560
% Ch	3.9%	2.6%	3.5%	3.5%	3.4%	3.5%	2.4%	1.7%	4.2%	2.6%	1.0%	2.4%
<b>Consumption Expenditures</b>	110.119	111.037	112.205	112.989	113.480	114.670	115.406	115.143	116.129	117.345	117.873	119.019
% Ch	2.2%	3.4%	4.3%	2.8%	1.7%	4.3%	2.6%	-0.9%	3.5%	4.3%	1.8%	3.9%
<b>Durable Goods</b>	90.470	90.375	89.735	89.491	89.276	89.110	88.827	88.213	87.798	87.488	87.091	86.725
% Ch	0.1%	-0.4%	-2.8%	-1.1%	-1.0%	-0.7%	-1.3%	-2.7%	-1.9%	-1.4%	-1.8%	-1.7%
<b>Nondurable Goods</b>	109.234	110.570	113.113	113.328	113.405	115.763	116.576	114.210	115.620	118.413	118.751	120.810
% Ch	0.3%	5.0%	9.5%	0.8%	0.3%	8.6%	2.8%	-7.9%	5.0%	10.0%	1.1%	7.1%
<b>Services</b>	115.204	116.165	117.100	118.434	119.316	120.252	121.209	122.122	123.252	124.055	124.921	125.996
% Ch	3.6%	3.4%	3.3%	4.6%	3.0%	3.2%	3.2%	3.0%	3.8%	2.6%	2.8%	3.5%
<b>Consumer Price Index</b>	1.923	1.936	1.966	1.986	1.994	2.013	2.032	2.024	2.043	2.066	2.080	2.106
% Ch	2.0%	2.8%	6.3%	4.0%	1.8%	3.7%	3.9%	-1.5%	3.7%	4.6%	2.8%	5.0%
<b>SELECTED INTEREST RATES</b>												
<b>Federal Funds</b>	2.5%	2.9%	3.5%	4.0%	4.5%	4.9%	5.2%	5.2%	5.3%	5.3%	5.1%	4.5%
<b>NY Fed Discount</b>	3.4%	3.9%	4.4%	5.0%	5.4%	5.9%	6.3%	6.3%	6.3%	6.3%	6.0%	5.0%
<b>Prime</b>	5.4%	5.9%	6.4%	7.0%	7.4%	7.9%	8.3%	8.3%	8.3%	8.3%	8.2%	7.5%
<b>Existing Home Mortgage</b>	5.8%	5.8%	5.8%	6.2%	6.4%	6.6%	6.8%	6.5%	6.4%	6.5%	6.8%	6.4%
<b>U.S. Govt. 3-Month Bills</b>	2.5%	2.9%	3.4%	3.8%	4.4%	4.7%	4.9%	4.9%	5.0%	4.7%	4.4%	3.4%
<b>U.S. Govt. 6-Month Bills</b>	2.8%	3.1%	3.6%	4.1%	4.5%	4.8%	5.0%	4.9%	4.9%	4.8%	4.5%	3.6%
<b>U.S. Govt. 5-Year Notes</b>	3.9%	3.9%	4.0%	4.4%	4.5%	5.0%	4.8%	4.6%	4.6%	4.8%	4.5%	3.8%
<b>U.S. Govt. 10-Year Notes</b>	4.3%	4.2%	4.2%	4.5%	4.6%	5.1%	4.9%	4.6%	4.7%	4.8%	4.7%	4.3%
<b>SELECTED US PRODUCTION INDICES</b>												
<b>Wood Products</b>	107.6	107.3	109.2	117.6	116.3	112.7	109.1	102.0	100.6	101.3	99.7	95.0
% Ch	8.9%	-1.1%	7.3%	34.5%	-4.5%	-11.8%	-12.0%	-23.8%	-5.1%	2.8%	-6.3%	-17.5%
<b>Computers &amp; Electronic Products</b>	136.5	139.2	145.2	153.2	156.4	162.2	168.0	171.8	172.5	178.4	186.8	195.7
% Ch	10.8%	8.3%	18.1%	23.9%	8.8%	15.6%	15.1%	9.4%	1.5%	14.5%	20.1%	20.6%
<b>Food</b>	103.5	104.0	104.5	104.8	105.0	104.6	105.0	106.8	108.0	109.5	111.2	111.5
% Ch	7.5%	2.0%	1.9%	1.1%	0.6%	-1.3%	1.3%	7.3%	4.6%	5.5%	6.5%	1.0%
<b>Agricultural Chemicals</b>	114.2	113.6	115.3	114.5	119.1	125.3	125.5	117.0	114.1	110.5	112.9	113.2
% Ch	5.8%	-2.1%	6.1%	-2.9%	17.2%	22.6%	0.8%	-24.6%	-9.6%	-12.0%	9.1%	1.0%
<b>Metal Ore Mining</b>	105.2	106.3	107.4	105.6	108.4	109.5	110.2	111.6	107.9	110.5	110.4	107.7
% Ch	9.8%	4.4%	4.1%	-6.7%	11.1%	4.0%	2.9%	5.1%	-12.7%	10.1%	-0.5%	-9.5%

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
JULY 2008**

**MISCELLANEOUS**

	Q1	2008 Q2	Q3	Q4	Q1	2009 Q2	Q3	Q4	Q1	2010 Q2	Q3	Q4
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>												
<b>Gross Domestic Product</b>	121.363	121.589	122.413	123.308	124.031	124.220	124.995	125.796	126.643	127.412	128.115	128.724
% Ch	2.7%	0.7%	2.7%	3.0%	2.4%	0.6%	2.5%	2.6%	2.7%	2.5%	2.2%	1.9%
<b>Consumption Expenditures</b>	120.079	121.264	123.425	125.128	125.953	125.974	126.505	126.843	127.178	127.434	127.794	128.241
% Ch	3.6%	4.0%	7.3%	5.6%	2.7%	0.1%	1.7%	1.1%	1.1%	0.8%	1.1%	1.4%
<b>Durable Goods</b>	86.681	86.274	86.092	86.096	86.107	86.110	86.096	86.019	85.933	85.829	85.708	85.573
% Ch	-0.2%	-1.9%	-0.8%	0.0%	0.0%	0.0%	-0.1%	-0.4%	-0.4%	-0.5%	-0.6%	-0.6%
<b>Nondurable Goods</b>	122.751	124.682	129.712	133.398	134.296	132.658	132.763	132.335	132.023	131.479	131.246	131.433
% Ch	6.6%	6.4%	17.1%	11.9%	2.7%	-4.8%	0.3%	-1.3%	-0.9%	-1.6%	-0.7%	0.6%
<b>Services</b>	126.892	128.107	129.406	130.533	131.521	132.370	133.246	134.068	134.832	135.576	136.355	137.080
% Ch	2.9%	3.9%	4.1%	3.5%	3.1%	2.6%	2.7%	2.5%	2.3%	2.2%	2.3%	2.1%
<b>Consumer Price Index</b>	2.128	2.153	2.206	2.246	2.259	2.250	2.257	2.259	2.262	2.264	2.268	2.276
% Ch	4.3%	4.8%	10.2%	7.4%	2.5%	-1.6%	1.2%	0.4%	0.5%	0.3%	0.8%	1.3%

**SELECTED INTEREST RATES**

<b>Federal Funds</b>	3.2%	2.1%	2.0%	2.0%	2.0%	2.0%	2.5%	3.2%	3.7%	4.2%	4.7%	4.8%
<b>NY Fed Discount</b>	3.7%	2.3%	2.3%	2.3%	2.5%	2.5%	3.2%	4.0%	4.7%	5.2%	5.7%	5.8%
<b>Prime</b>	6.2%	5.1%	5.0%	5.0%	5.0%	5.0%	5.5%	6.2%	6.7%	7.2%	7.7%	7.8%
<b>Existing Home Mortgage</b>	6.0%	6.2%	6.2%	5.9%	5.8%	5.7%	5.9%	6.3%	6.6%	6.9%	7.1%	7.2%
<b>U.S. Govt. 3-Month Bills</b>	2.2%	1.6%	1.8%	1.9%	1.9%	2.0%	2.5%	3.2%	3.7%	4.1%	4.5%	4.6%
<b>U.S. Govt. 6-Month Bills</b>	2.2%	1.8%	2.0%	2.0%	2.0%	2.1%	2.6%	3.3%	3.8%	4.2%	4.6%	4.7%
<b>U.S. Govt. 5-Year Notes</b>	2.7%	3.2%	3.2%	3.0%	3.0%	3.0%	3.3%	3.8%	4.3%	4.7%	5.1%	5.2%
<b>U.S. Govt. 10-Year Notes</b>	3.7%	3.9%	3.8%	3.7%	3.6%	3.6%	4.0%	4.4%	4.8%	5.1%	5.4%	5.4%

**SELECTED US PRODUCTION INDICES**

<b>Wood Products</b>	91.6	87.9	82.2	78.1	76.7	78.8	82.4	84.9	87.4	90.0	92.2	94.3
% Ch	-13.6%	-15.0%	-23.6%	-18.4%	-7.0%	11.4%	19.1%	12.8%	12.2%	12.9%	9.7%	9.5%
<b>Computers &amp; Electronic Products</b>	200.9	209.5	219.3	224.5	228.9	234.3	242.4	251.0	261.3	272.9	284.1	291.4
% Ch	11.1%	18.2%	20.1%	9.7%	8.1%	9.9%	14.5%	14.9%	17.4%	19.1%	17.4%	10.6%
<b>Food</b>	112.6	112.9	113.2	113.6	113.9	114.3	114.8	115.3	115.9	116.4	117.0	117.6
% Ch	4.1%	1.2%	1.1%	1.2%	1.2%	1.4%	1.6%	1.8%	2.0%	2.0%	2.0%	2.0%
<b>Agricultural Chemicals</b>	109.9	110.2	111.4	112.4	113.3	114.1	114.8	115.5	116.2	117.0	117.8	118.7
% Ch	-11.1%	1.0%	4.5%	3.7%	3.3%	2.7%	2.6%	2.5%	2.5%	2.7%	2.8%	2.9%
<b>Metal Ore Mining</b>	109.8	110.6	110.2	110.4	111.0	111.7	112.7	113.8	115.1	116.3	117.4	118.2
% Ch	8.2%	2.7%	-1.3%	0.7%	2.2%	2.7%	3.6%	3.8%	4.8%	4.2%	3.6%	3.0%

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## **APPENDIX**

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## THE GLOBAL INSIGHT U.S. MACROECONOMIC MODEL

Global Insight's Macroeconomic Model is a multiple-equation model of the U.S. economy. Consisting of over 1,200 equations, the model is solved iteratively to generate the results of different policy and forecast scenarios. The model incorporates the best insights of many theoretical schools of thought to depict the economic decision processes and interactions of households, businesses, and governments.

The Global Insight model is divided into the following eight major sectors:

- I Private Domestic Spending**
- II Production and Income**
- III Taxes**
- IV International Transactions**
- V Financial**
- VI Inflation**
- VII Supply**
- VIII Expectations**

- I. **Private Domestic Spending.** Major aggregate demand components include consumption, investment, and government. Consumer purchases are divided among three categories: durable goods, nondurable goods, and services. In nearly all cases, real expenditures are influenced by real income and the relative price of consumer goods. Durable and semidurable goods are also sensitive to household net worth, current finance costs, and consumer sentiment.

Global Insight divides investment into two general categories: fixed investment and inventories. The former is driven by utilization rates, capital stock, relative prices, financial market conditions, financial balance sheet conditions, and government policies. Inventory investment is heavily influenced by such factors as past and present sales levels, vendor performance, and utilization rates.

The government sector is divided into federal government and state and local government. Most of the federal expenditure side is exogenous. Federal receipts are endogenous and divided into personal taxes, corporate taxes, indirect business taxes, and contributions for social insurance. State and local sector receipts depend primarily on federal grants and various tax rates and bases. State and local government spending is driven by legal requirements (i.e., balanced budgets), the level of federal grants (due to the matching requirements of many programs), population growth, and trend increases in personal income.

- II. **Production and Income.** The industrial production sector includes 74 standard industrial classifications. Production is a function of various cyclical and trend variables and a generated output term, i.e., the input-output (I-O) relationship between the producing industry and both intermediate industries and final demand. The cyclical and trend variables correct for changes in I-O coefficients that are implied by the changing relationship between buyers and sellers.

Pre-tax income categories include private and government wages, corporate profits, interest rate, and entrepreneurial returns. Each of these categories, except corporate profits, is determined by some combination of wages, prices, interest rates, debt levels, capacity utilization rate, and unemployment rate. Corporate profits are calculated as the residual of total national income less the nonprofit components of income mentioned above.

- III. **Taxes.** The model tracks personal, corporate, payroll, and excise taxes separately. Tax revenues are simultaneously forecast as the product of the rate and the associated pre-tax income components. The model automatically adjusts the effective average personal tax rate for variations in inflation and income per household, and the effective average corporate rate for credits earned on equipment, utility structures, and R&D. State taxes are fully endogenous, except for corporate profits and social insurance tax rates.
- IV. **International.** The international sector can either add or divert strength from the central flow of domestic income and spending. Imports' ability to capture varying shares of domestic demand depends on the prices of foreign output, the U.S. exchange rate, and competing domestic prices. Exports' portion of domestic spending depends on similar variables and the level of world gross domestic product. The exchange rate itself responds to international differences in inflation, interest rates, trade deficits, and capital flows between the U.S. and its competitors. Investment income flows are also explicitly modeled.
- V. **Financial.** The Global Insight model includes a highly detailed financial sector. Several short- and long-term interest rates are covered in this model, and they are the key output of this sector. The short-term rates depend upon the balance between the demand and supply of reserves in the banking system. The supply of reserves is the primary exogenous monetary policy lever within the model, reflecting the Federal Reserve's open market purchases or sales of Treasury securities. Longer-term interest rates are driven by shorter-term rates as well as factors affecting the slope of the yield curve. These factors include inflation expectations, government borrowing requirements, and corporate finance needs.
- VI. **Inflation.** Inflation is modeled as a controlled, interactive process involving wages, prices, and market conditions. The principal domestic cost influences are labor compensation, nonfarm productivity, and foreign input costs that later are driven by the exchange rate, the price of oil, and foreign wholesale price inflation. This set of cost influences drives each of the industry-specific producer price indexes, in combination with a demand pressure indicator and appropriately weighted composites of the other producer price indexes.
- VII. **Supply.** In this model, aggregate supply (or potential GNP), is estimated by a Cobb-Douglas production function that combines factor input growth and improvements to total factor productivity. Factor input equals a weighted average of labor, business fixed capital, and energy. Factor supplies are defined by estimates of the full employment labor force, the full employment capital stock net of pollution abatement equipment, the domestic production of petroleum and natural gas, and the stock of infrastructure. Total factor productivity depends upon the stock of research and development capital and trend technological change.
- VIII. **Expectations.** Expectations impact several expenditure categories in the model, but the principal nuance relates to the entire spectrum of interest rates. Shifts in price expectations or the expected government capital needs influences are captured directly in this model through price expectations and budget deficit terms. The former impacts all interest rates and the latter impacts intermediate- and long-term rates. On the expenditure side, inflationary expectations impact consumption via consumer sentiment, while growth expectations affect business investment.

## THE IDAHO ECONOMIC MODEL

The Idaho Economic Model (IEM) is an income and employment based model of Idaho's economy. The Model consists of a simultaneous system of linear regression equations, which are estimated using quarterly data. The primary exogenous variables are obtained from the Global Insight U.S. Macroeconomic Model. Endogenous variables are forecast at the statewide level of aggregation.

The focal point of the IEM is Idaho personal income, which is given by the identity:

**personal income = wage and salary payments + other labor  
income + farm proprietors' income + nonfarm proprietors'  
income + property income + transfer payments - contributions  
for social insurance + residence adjustment.**

With the exception of farm proprietors' income and wage and salary payments, each of the components of personal income is estimated stochastically by a single equation. Farm proprietors' income and wage and salary payments each comprise submodels containing a system of stochastic equations and identities.

The farm proprietor sector is estimated using a highly-aggregated submodel consisting of equations for crop marketing receipts, livestock marketing receipts, production expenses, inventory changes, imputed rent income, corporate farm income, and government payments to farmers. Farm proprietors' income includes inventory changes and imputed rent, but this component is netted out of the tax base.

At the heart of the IEM is the wage and salary sector, which includes stochastic employment equations for 23 North American Industry Classification System employment categories. Conceptually, the employment equations are divided into basic and domestic activities. The basic employment equations are specified primarily as functions of national demand and supply variables. Domestic employment equations are specified primarily as functions of state-specific demand variables. Average annual wages are estimated for several broad employment categories and are combined with employment to arrive at aggregate wage and salary payments.

The demographic component of the model is used to forecast components of population change and housing starts. Resident population, births, and deaths are modeled stochastically. Net migration is calculated residually from the estimates for those variables. Housing starts are divided into single and multiple units. Each equation is functionally related to economic and population variables.

The output of the IEM (i.e., the forecast values of the endogenous variables) is determined by the parameters of the equations and the values of exogenous variables over the forecast period. The values of equation parameters are determined by the historic values of both the exogenous and endogenous variables. IEM equation parameters are estimated using the technique of ordinary least squares. Model equations are occasionally respecified in response to the dynamic nature of the Idaho and national economies. Parameter values for a particular equation (given the same specification) may change as a result of revisions in the historic data or a change in the time interval of the estimation. In general, parameter values should remain relatively constant over time, with changes reflecting changing structural relationships.

While the equation parameters are determined by structural relationships and remain relatively fixed, the forecast period exogenous variable values are more volatile determinants of the forecast values of

endogenous variables. They are more often subject to change as expectations regarding future economic behavior change, and they are more likely to give rise to debate over appropriate values. As mentioned above, the forecast period values of exogenous variables are primarily obtained from Global Insight's U.S. macroeconomic model.

Since the output of the IEM depends in large part upon the output of the Global Insight model, an understanding of the Global Insight model, its input assumptions, and its output is useful in evaluating the results of the IEM's forecast. The assumptions and output of the Global Insight model are discussed in the National Forecast section.

# IDAHO ECONOMIC MODEL

$$EEA\_ID = EEA\_ID\_GOODS + EEA\_ID\_NONGOODS$$

$$EEA\_ID\_2100 = 2625.276 + 30.059*MOVAV(ID0IP2122\_2123(-1),4) - 4695.937*(JECIWSP/WPI10) - 4.111*TREND$$

$$EEA\_ID\_2300 = 14486.675 + 480.888*ID0HSPRS1\_A + 412.190*ID0HSPRS1\_A(-1) + 343.491*ID0HSPRS1\_A(-2) + 274.793*ID0HSPRS1\_A(-3) + 206.095*ID0HSPRS1\_A(-4) + 137.397*ID0HSPRS1\_A(-5) + 68.698*ID0HSPRS1\_A(-6)$$

$$EEA\_ID\_3110 = 18233.593 + 259.998*MOVAV(IPSG311,4) - 317.881*MOVAV(IPSG311/EMN311,4) - 55.331*TREND$$

$$EEA\_ID\_3230 = 1792.042 + 18.844*MOVAV(IPSG323,4) - 11.626*MOVAV((IPSG323/EMN323),8)$$

$$EEA\_ID\_3250 = 2696.251 + 13.190*MOVAV(IPSG3253(-1),4) - 1991.802*DUM951ON$$

$$EEA\_ID\_3320 = -2063.770 + 57.314*MOVAV(IPSG332,2)$$

$$EEA\_ID\_3330 = 1743.849 + 18.541*MOVAV(IPSG3332,4) - 6.089*TREND$$

$$EEA\_ID\_3340 = 12850.291 + 195.695*MOVAV(IPSG3341,4) - 242.981*(MOVAV(IPSG3341,8)/MOVAV(EMD334,8))$$

$$EEA\_ID\_4200 = 6338.504 + 0.308*EEA\_ID\_44\_45 - 25.802*TREND$$

$$EEA\_ID\_44\_45 = 34279.255 + 262.151*((MOVAV(YPADJ\_ID,8)/MOVAV(JPC,4))) - 344.396*TREND$$

$$EEA\_ID\_48\_49\_22 = -5662.618 + 0.815*MOVAV(EEA\_ID\_4200,2) + 2923.483*MOVAV(ID0NPT(-1),8)$$

$$EEA\_ID\_5100 = -5496.054 + 45.452*MOVAV(IPSG51111,4) + 78.200*TREND + 546.542*DUM061ON$$

$$EEA\_ID\_52\_53 = -7219.298 - 5270.302*DUM981ON + 1897.977*(DUM9801004*MOVAV(SP500/SP500(-2),2) + 85.768*ID0KHU$$

$$EEA\_ID\_54\_55\_56 = -37189.992 + 155.841*YPADJ\_ID/JPC + 202.752*MOVAV(RADR,8)$$

$$EEA\_ID\_61\_62 = -42269.636 + 50635.755*MOVAV(ID0NPT,4) + 102.930*YPADJ\_ID/JPC$$

$$EEA\_ID\_71\_72 = -43736.334 + 123671.642*MOVAV(ID0NPT,8) - 494.249*TREND$$

$$\text{EEA\_ID\_8100} = 3239.040 + 45.292 * (\text{MOVAV}(\text{YPADJ\_ID}, 4) / \text{MOVAV}(\text{JPC}, 4)) + 1252.752 * \text{DUM931964} - 1394.056 * \text{DUM0610N}$$

$$\text{EEA\_ID\_DMANU} = \text{EEA\_ID\_WOOD} + \text{EEA\_ID\_3320} + \text{EEA\_ID\_3330} + \text{EEA\_ID\_3340} + \text{EEA\_ID\_MFDNEC}$$

$$\text{EEA\_ID\_GOODS} = \text{EEA\_ID\_MANU} + \text{EEA\_ID\_2300} + \text{EEA\_ID\_2100}$$

$$\text{EEA\_ID\_GV} = \text{EEA\_ID\_GVSL} + \text{EEA\_ID\_GVF}$$

$$\text{EEA\_ID\_GVF} = 3254.141 + 546976.400 * \text{EG91} * (\text{ID0NPT} / \text{N}) + 3431.960 * \text{EG91} * (\text{GFOR} / \text{GFR}) - 3.372 * \text{TREND}$$

$$\text{EEA\_ID\_GVSL} = \text{EEA\_ID\_GVSLAD} + \text{EEA\_ID\_GVSLED}$$

$$\text{EEA\_ID\_GVSLAD} = 6660.975 + 19236.054 * \text{MOVAV}(\text{ID0NPT}, 4) + 0.618 * \text{MOVAV}(\text{ID0YPTXB}(-4), 4)$$

$$\text{EEA\_ID\_GVSLED} = 10246.029 + 48589.469 * \text{ID0NPT} * ((\text{N} - \text{N16A}) / \text{N}) + 0.564 * \text{MOVAV}(\text{ID0YPTXB}(-4), 2) + 73.900 * \text{TREND}$$

$$\text{EEA\_ID\_MANU} = \text{EEA\_ID\_DMANU} + \text{EEA\_ID\_NMANU}$$

$$\text{EEA\_ID\_MFDNEC} = -3938.738 + 129.659 * \text{MOVAV}(\text{ID0IPMFDNEC}, 2)$$

$$\text{EEA\_ID\_MFNNEC} = 1176.880 + 4.255 * (\text{CNCSR} + \text{CNOOR}) + 24.712 * \text{MOVAV}(\text{IPSG322}, 2) - 15.461 * \text{TREND}$$

$$\text{EEA\_ID\_NMANU} = \text{EEA\_ID\_3110} + \text{EEA\_ID\_3230} + \text{EEA\_ID\_3250} + \text{EEA\_ID\_MFNNEC}$$

$$\text{EEA\_ID\_NONGOODS} = \text{EEA\_ID\_SV} + \text{EEA\_ID\_4200} + \text{EEA\_ID\_44\_45} + \text{EEA\_ID\_GV}$$

$$\text{EEA\_ID\_SV} = \text{EEA\_ID\_48\_49\_22} + \text{EEA\_ID\_5100} + \text{EEA\_ID\_52\_53} + \text{EEA\_ID\_54\_55\_56} + \text{EEA\_ID\_61\_62} + \text{EEA\_ID\_71\_72} + \text{EEA\_ID\_8100}$$

$$\text{EEA\_ID\_WOOD} = 18464.036 + 78.288 * \text{MOVAV}(\text{IPSG321}, 2) - 11886.646 * (\text{JECIWSP} / \text{WPI08}) - 57.182 * \text{IPSG321} / \text{EMD321}$$

$$\text{ID0AHEMF} = 2.038 + 14.007 * (\text{EEA\_ID\_DMANU}(-1) / \text{EEA\_ID\_MANU}(-1)) * @\text{MOVAV}(\text{JECIWSP}(-1), 4) + 14.093 * (\text{EEA\_ID\_NMANU}(-1) / \text{EEA\_ID\_MANU}(-1)) * @\text{MOVAV}(\text{JECIWSP}(-1), 4)$$

$$\text{ID0CRCROP} = -14238.464 + 0.013 * \text{CRCROP} + 471581.192 * \text{WPI01}$$

$$\text{ID0CRLVSTK} = -351442.969 + 0.020 * (\text{CRCATCVS} + \text{CRDAIRY}) + 9707.166 * \text{TREND}$$

$$\text{ID0EXFP} = -66641.887 + 953081.270 * \text{WPI01} + 21348.589 * \text{TREND}$$

$$\text{ID0HSPR} = \text{ID0HSPRS1\_A} + \text{ID0HSPRS2A\_A}$$

$$\begin{aligned} \text{ID0HSPRS1\_A} &= -352.125 - 1.263 * (\text{RMMTGEXIST} - \text{MOVAV}(\text{RMMTGEXIST}(-1), 4)) \\ &+ 299.750 * (\text{ID0NPT}(-1) - (\text{MOVAV}(\text{ID0NPT}(-1), 8)) + 347.896 * (\text{ID0KHU}/\text{ID0KHU}(-4)/(\text{ID0NPT}/\text{ID0NPT}(-4)) + \\ &0.052 * \text{TREND} \end{aligned}$$

$$\begin{aligned} \text{ID0HSPRS2A\_A} &= 5.465 + 37.557 * (\text{MOVAV}(\text{ID0NPT}(-1), 4) - \text{MOVAV}(\text{ID0NPT}(-5), 4)) \\ &- 0.249 * \text{MOVAV}(\text{RMMTGEXIST}, 4) - 0.003 * \text{TREND} * \text{RMMTGEXIST} \end{aligned}$$

$$\text{ID0KHU} = \text{ID0KHU1} + \text{ID0KHU2A}$$

$$\text{ID0KHU1} = ((0.997)^{0.25}) * \text{ID0KHU1}(-1) + \text{ID0HSPRS1\_A}/4$$

$$\text{ID0KHU2A} = ((0.997)^{0.25}) * \text{ID0KHU2A}(-1) + \text{ID0HSPRS2A\_A}/4$$

$$\text{ID0NB} = -11.930 + 40.901 * \text{ID0NPT} - 0.164 * \text{TREND}$$

$$\text{ID0ND} = 1.188 + 5.398 * \text{ID0NPT} + 0.010 * \text{TREND}$$

$$\text{ID0NMG} = (\text{ID0NPT} - \text{ID0NPT}(-4)) - (\text{ID0NB} - \text{ID0ND})/1000$$

$$\text{ID0NPT} = 0.409 + 0.0000008 * \text{MOVAV}(\text{EEA\_ID}, 4) + 0.004 * \text{TREND}$$

$$\text{ID0WBB\$} = \text{ID0WBBMF\$} + \text{ID0WBBOTH\$} + \text{ID0WBBCC\$} + \text{ID0WBBF\$} + \text{ID0WBBMIL\$}$$

$$\text{ID0WBBCC\$} = (\text{ID0WRWCC\$} * \text{EEA\_ID\_2300})/1000000$$

$$\text{ID0WBBF\$} = -123.907 + 314.516 * \text{WPI02}$$

$$\text{ID0WBBMF\$} = (\text{ID0WRWMF\$} * \text{EEA\_ID\_MANU})/1000000$$

$$\text{ID0WBBMIL\$} = 9.955 + 292.798 * (\text{ID0NPT}/\text{N}) * \text{GFMLCWSS}$$

$$\text{ID0WBBOTH\$} = \text{ID0WRWOTH\$} * (\text{EEA\_ID} - \text{EEA\_ID\_2300} - \text{EEA\_ID\_MANU})/1000000$$

$$\text{ID0WRWCC\$} = 7297.565 + 1666.052 * \text{ID0AHEMF}$$

$$\text{ID0WRWMF\$} = 7047.687 + 888.645 * \text{ID0AHEMF} + 152.126 * @\text{TREND}$$

$$\text{ID0WRWOTH\$} = -3203.702 + 2113.275 * \text{ID0AHEMF}$$

$$\text{ID0YDIR\$} = -118.294 + 1.089 * ((\text{YPAIN} + \text{ZADIV} + \text{YPRENTADJ}) * (\text{MOVAV}(\text{ID0YP\$}(-1), 4)/\text{MOVAV}(\text{YP}(-1), 4)))$$

$$\text{ID0YFC\$} = -27138.116 + 0.901 * \text{ID0YFC\$}(-1) + 42199.458 * \text{WPI01}$$



$$ID0YINV\_R\$ = -32177.960 + 0.805*ID0YINV\_R\$_{(-1)} + 64675.757*WPI01$$

$$ID0YP = ID0YP\$/JPC*100$$

$$ID0YP\$ = ID0WBB\$ + ID0YSUP\$ + ID0YDIR\$ + ID0YPRNF\$ + ID0YPRF\$ + ID0YTR\$ + ID0YRA\$ - ID0YSI\$$$

$$ID0YP\$PC = ID0YP\$/ID0NPT$$

$$ID0YPNF = ID0YPNF\$/JPC*100$$

$$ID0YPNF\$ = ID0YP\$ - ID0YPRF\$ - ID0WBBF\$$$

$$ID0YPNFPC = ID0YPNF\$/JPC*100/ID0NPT$$

$$ID0YPPC = ID0YP/ID0NPT$$

$$ID0YPRF\$ = 177.643 + 0.170*((ID0CRCROP+ID0CRLVSTK+ID0YTRF\$+ID0YINV\_R\$-ID0YFC\$-ID0EXFP)/1000) + 2.117*TREND$$

$$ID0YPRNF\$ = 55.404 + 4.346*YPPROPADJNF$$

$$ID0YPTXB = (ID0WBB\$ + ID0YPRNF\$ + ID0YDIR\$ + (ID0YPRF\$ - ID0YINV\_R\$/1000))/JPC*100$$

$$ID0YRA\$ = -92.135 + 0.036*ID0WBB\$$$

$$ID0YSI\$ = -14.859 + 2.245*TXSIEC*ID0WBB\$/YPCOMPWSD$$

$$ID0YSUP\$ = 65.384 + 1.547*YPCOMPSUPPAI*ID0WBB\$/YPCOMPWSD$$

$$ID0YTR\$ = -14.363 + 846.368*(YPTRFGF+YPTRFGSL)*(ID0NPT/N)$$

$$ID0YTRF\$ = 26497.24 + 0.010*TRF\$$$

$$IDWAGE = (ID0WBB\$ - ID0WBBF\$ - ID0WBBMIL\$)/EEA\_ID * 1000000$$

$$YPADJ\_ID = ID0YPNF\$ + MOVAV(ID0YPRF\$,4) + MOVAV(ID0WBBF\$,4)$$

## ENDOGENOUS VARIABLES

EEA_ID	Employment on nonagricultural payrolls, total
EEA_ID_2100	Employment in mining
EEA_ID_2300	Employment in construction
EEA_ID_3110	Employment in food processing
EEA_ID_3230	Employment in printing
EEA_ID_3250	Employment in chemicals
EEA_ID_3320	Employment in fabricated metal products
EEA_ID_3330	Employment in machinery
EEA_ID_3340	Employment in computers and electronic products
EEA_ID_4200	Employment in wholesale trade
EEA_ID_44_45	Employment in retail trade
EEA_ID_48_49_22	Employment transportation, warehousing, and utilities
EEA_ID_5100	Employment in information
EEA_ID_52_53	Employment in finance, insurance, and real estate
EEA_ID_54_55_56	Employment in professional, scientific, and technical services
EEA_ID_61_62	Employment in health care and educational services
EEA_ID_71_72	Employment in leisure and hospitality
EEA_ID_8100	Employment in other services
EEA_ID_DMANU	Employment in durable goods manufacturing
EEA_ID_GOODS	Employment in goods producing
EEA_ID_GV	Employment in government
EEA_ID_GVF	Employment in federal government
EEA_ID_GVSL	Employment in state and local government
EEA_ID_GVSLAD	Employment in state and local government, administration
EEA_ID_GVSLED	Employment in state and local government, education
EEA_ID_MANU	Employment in manufacturing
EEA_ID_MFDNEC	Employment in other durable manufacturing
EEA_ID_MFNNEC	Employment in other nondurable manufacturing
EEA_ID_NMANU	Employment in nondurable manufacturing
EEA_ID_NONGOODS	Employment in non-goods producing
EEA_ID_SV	Employment in services
EEA_ID_WOOD	Employment in wood products and logging
ID0AHEMF	Average hourly earnings in manufacturing
ID0CRCROP	Cash receipts, crops, not seasonally adjusted
ID0CRLVSTK	Cash receipts, livestock, not seasonally adjusted
ID0EXFP	Farm production expenses
ID0HSPR	Housing starts, total
ID0HSPRS1_A	Adjusted housing starts, single units
ID0HSPRS2A_A	Adjusted housing starts, multiple units
ID0KHU	Housing stock, total
ID0KHU1	Housing stock, single units
ID0KHU2A	Housing stock, multiple units
ID0NB	Number of births
ID0ND	Number of deaths
ID0NMG	Net in-migration of persons
ID0NPT	Resident population

ID0WBB\$	Wage and salary disbursements
ID0WBBCC\$	Wage and salary disbursements, construction
ID0WBBF\$	Wage and salary disbursements, farm
ID0WBBMF\$	Wage and salary disbursements, manufacturing
ID0WBBMIL\$	Wage and salary disbursements, military
ID0WBBOTH\$	Wage and salary disbursements, except farm, manufacturing, and construction
ID0WRWCC\$	Average annual wage, construction
ID0WRWMF\$	Average annual wage, manufacturing
ID0WRWOTH\$	Average annual wage, except manufacturing, construction, and farm
ID0YDIR\$	Dividend, interest, and rent income
ID0YFC\$	Corporate farm income
ID0YINV_R\$	Farm inventory value changes, imputed rent, and income
ID0YP	Total personal income, 2000 dollars
ID0YP\$	Total personal income
ID0YP\$PC	Per capita personal income
ID0YPNF	Nonfarm personal income, 2000 dollars
ID0YPNF\$	Nonfarm personal income
ID0YPNFPC	Per capita nonfarm income, 2000 dollars
ID0YPPC	Real per capita personal income
ID0YPRF\$	Net farm proprietors' income
ID0YPRNF\$	Nonfarm proprietors' income
ID0YPTXB	Tax base, 2000 dollars
ID0YRA\$	Residence adjustment, personal income
ID0YSI\$	Contributions for social insurance
ID0YSUP\$	Other labor income
ID0YTR\$	Transfer payments to persons
ID0YTRF\$	Government payments to Idaho farmers
YPADJ_ID	Adjusted total personal income

## EXOGENOUS VARIABLES

CNCSR	Personal consumption expenditures, clothing and shoes, 2000 dollars, chain weighted
CNOOR	Personal consumption expenditures, other nondurable goods, 2000 dollars, chain weighted
CRCATCVS	Cash receipts, U.S. cattle and calves
CRCROP	Cash receipts, U.S. crops
CRDAIRY	Cash receipts, U.S. dairy
DUM061ON	These are dummy variables used in regression equations for the purpose of capturing the impacts of discrete economic or noneconomic event such as strikes, plant opening, or closures, unusual weather conditions, etc.
DUM931964	
DUM951ON	
DUM98011004	
DUM981ON	
TREND	
EG91	Employment in federal government
EMD321	Employment in Wood Products
EMD334	Employment in Computer and Electronic Products
EMN311	Employment in Food Manufacturing
EMN323	Employment in Printing and Related Support Activities
GFMLCWSS	Federal government defense personnel outlays
GFOR	Real federal nondefense purchases of goods and services
GFR	Real federal purchases of goods and services
ID0IP2122_2123	Industrial production index, metal and nonmetal ore mining, 2002=100.0
ID0IPMFDNEC	Industrial production index, other nondurable goods, 2002=100.0
IPSG311	Industrial production index, food, 2002=100.0
IPSG321	Industrial production index, wood products, 2002=100.0
IPSG322	Industrial production index, paper, 2002=100.0
IPSG323	Industrial production index, printing, 2002=100.0
IPSG3253	Industrial production index, agricultural chemicals, 2002=100.0
IPSG332	Industrial production index, fabricated metal products, 2002=100.0
IPSG3332	Industrial production index, industrial machinery, 2002=100.0
IPSG3341	Industrial production index, computer and peripheral equipment, 2002=100.0
IPSG51111	Industrial production index, newspaper publishing, 2002=100.0
JECIWSP	Employment Cost Index—Private Sector Wages and Salaries
JPC	Implicit price deflator, personal consumption, 2000=100.0, chain weighted
N	Population, U.S.
N16A	Population, U.S., aged 16 and older
RADR	Real research and development spending, 2000 dollars, chain weighted
RMMTGEXIST	Effective conventional mortgage rate, existing homes, combined lenders
SP500	Standard & Poor's 500 index of common stocks
TRF\$	Government payments to U.S. farms
TXSIEC	Personal contributions for social insurance, U.S.
WPI01	Producer price index, farm products, 1982=1.0

WPI02	Producer price index, processed foods and feeds, 1982=1.0
WPI08	Producer price index, lumber and wood products, 1982=1.0
WPI10	Producer price index, metals and metal products, 1982=1.0
YP	Personal income
YPAINT	Personal interest income
YPCOMPSUPPAI	Other labor income, U.S.
YPCOMPWSD	Wage and salary disbursements
YPPROPADJNF	Nonfarm proprietors' income (with inventory valuation and capital consumption adjustments)
YPRENTADJ	Rental income of persons with capital consumption adjustment
YPTRFGF	Federal transfer payments to individuals
YPTRFGSL	State and local transfer payments to individuals
ZADIV	Dividends